



Personnel

PERSONNEL

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,262,400	5,722,200	5,582,700	4,777,000	5,074,300
Current Year Appropriation	100,000				
Total General Fund	<u>4,362,400</u>	<u>5,722,200</u>	<u>5,582,700</u>	<u>4,777,000</u>	<u>5,074,300</u>
Restricted Agency Funds					
Balance Forward	2,470,100	1,168,900	1,497,800	1,168,900	1,555,200
Current Receipts	3,750,800	5,361,400	5,652,900	5,266,100	5,554,100
Non-Revenue Receipts	14,683,300	16,832,300	17,632,300	16,832,300	17,632,300
Total Restricted Agency Funds	<u>20,904,200</u>	<u>23,362,600</u>	<u>24,783,000</u>	<u>23,267,300</u>	<u>24,741,600</u>
TOTAL FUNDS	<u>25,266,600</u>	<u>29,084,800</u>	<u>30,365,700</u>	<u>28,044,300</u>	<u>29,815,900</u>
EXPENDITURES BY CLASS					
Personnel Costs	22,015,100	24,780,900	25,999,800	24,513,800	25,721,200
Operating Expenses	1,906,300	2,362,300	2,247,000	1,832,600	1,904,500
Capital Outlay	176,300	443,800	112,600	142,700	54,100
TOTAL EXPENDITURES	<u>24,097,700</u>	<u>27,587,000</u>	<u>28,359,400</u>	<u>26,489,100</u>	<u>27,679,800</u>
EXPENDITURES BY UNIT					
Commissioner	775,000	863,200	894,900	931,000	966,400
Administration and Processing	2,073,500	2,591,900	2,226,200	2,070,200	2,108,000
Applicant Counseling and Examinations	1,585,300	1,712,500	1,729,400	1,511,700	1,549,000
Classification and Compensation	819,000	778,500	844,600	755,600	820,800
Deferred Compensation	1,657,300	2,896,600	3,012,700	2,834,200	2,940,300
Employee Services	676,000	1,009,800	1,041,800	746,300	783,200
Health Insurance	986,500	1,343,500	1,419,200	1,290,500	1,364,300
Life Insurance Administration	200,000	291,000	290,600	270,200	269,000
Workers' Compensation	15,325,100	16,100,000	16,900,000	16,079,400	16,878,800
TOTAL EXPENDITURES	<u>24,097,700</u>	<u>27,587,000</u>	<u>28,359,400</u>	<u>26,489,100</u>	<u>27,679,800</u>

The Personnel Cabinet is charged with administering the state merit system and ensuring compliance with the personnel rules and regulations established as a part of the statutory authority of KRS 18A.

The Office of the Secretary provides policy and management support to the divisions of the Cabinet; promulgates administrative regulations; advises the Personnel Board on matters pertaining to the classified service; conducts investigations on all matters relating to state personnel laws and rules; and provides administrative services for the Cabinet.

The Division of Applicant Counseling and Examinations provides for recruitment, counseling, examination, and certification of persons eligible for employment by the Commonwealth with corresponding provisions for the placement of career employees through internal mobility systems.

Pursuant to KRS 18A.110 requiring the maintenance of a classification and pay plan for state government, the Division of Classification and Compensation reviews all personnel position actions, conducts job audits, revises class specifications as necessary, and conducts salary surveys.

The Division of Administration and Processing audits and certifies state payrolls; prepares and maintains employee personnel and payroll records; and develops systems for improvements in state personnel and payroll offices. The Division is also responsible for the administration of the state employee health insurance program through the state's Health Purchasing Alliance.

The Division of Employee Services assists state employees by referring them for counseling services; coordinates compliance with Equal Employment Opportunity and workplace safety programs; administers the employee suggestion and employee evaluation systems; and manages the automobile liability insurance reimbursement program.

The Division of Benefits Administration is responsible for the administration of the state employee life insurance program; the state flexible benefits program; the state's self-insured health care plan, known as Kentucky Kare; and the state workers' compensation program.

The Health Insurance Administration program, a part of the Division of Benefits Administration, is responsible for administering the provisions of the state's selfinsured health care program, Kentucky Kare, which provides health care coverage to over 100,000 Kentuckians and their families.

The Workers' Compensation program, also a part of the Division of Benefits Administration, provides benefits to state employees injured during the course of their employment and maintains an adequate reserve of funds through the Commonwealth's self-insurance plan to meet the Commonwealth's potential liability for workers' compensation.

The Kentucky Employees Deferred Compensation Authority, created by Executive Order 94-1235, administers deferred compensation plans as established in the U.S. Internal Revenue Codes 457 and 401(b) and KRS 18A.230-18A.350 as a tax-sheltered, supplemental retirement savings program exclusively as an optional benefit for Kentucky's public employees.

Policy

An additional General Fund appropriation of \$100,000 is provided in fiscal year 1996 for a comprehensive pay equity study, enacted by the 1996 General Assembly through House Bill 268.

Additional restricted funds of \$213,600 in fiscal year 1996, \$448,600 in fiscal year 1997, and \$471,000 in fiscal year 1998 are provided for expanded services to employees participating in the state's flexible benefits program.

Additional restricted funds of \$70,400 in fiscal year 1997 and \$61,600 in fiscal year 1998 are provided for expanded administrative services in the state's life insurance program.

Additional restricted funds of \$1,500 in each year is provided in the Deferred Compensation Authority for the conversion of four positions from part-time to full-time.

Additional restricted funds of \$31,800 in fiscal year 1997 and \$30,200 in fiscal year 1998 is provided for one position to assist in administrative support efforts for the Cabinet.

An additional General Fund appropriation of \$31,500 is provided in fiscal year 1998 for the cost of elections for the Personnel Board.

PUBLIC PROTECTION AND REGULATION

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,076,300	37,374,400	39,978,200	33,925,200	38,197,700
Current Year Appropriation	181,600				
Continuing Appropriation	402,700	401,400		565,600	
Total General Fund	<u>35,660,600</u>	<u>37,775,800</u>	<u>39,978,200</u>	<u>34,490,800</u>	<u>38,197,700</u>
Restricted Agency Funds					
Balance Forward	19,502,200	28,147,400	33,815,300	22,645,900	24,913,400
Current Receipts	24,964,200	25,892,500	25,404,500	24,410,900	24,098,800
Non-Revenue Receipts	41,904,500	41,615,500	41,708,100	41,956,000	42,207,900
Total Restricted Agency Funds	<u>86,370,900</u>	<u>95,655,400</u>	<u>100,927,900</u>	<u>89,012,800</u>	<u>91,220,100</u>
Federal Funds					
Balance Forward	105,100	8,100	8,100	53,100	53,100
Current Receipts	2,532,400	1,980,100	2,050,700	1,989,100	2,061,300
Non-Revenue Receipts	103,200	110,500	116,000	110,500	116,000
Total Federal Funds	<u>2,740,700</u>	<u>2,098,700</u>	<u>2,174,800</u>	<u>2,152,700</u>	<u>2,230,400</u>
TOTAL FUNDS	<u>124,772,200</u>	<u>135,529,900</u>	<u>143,080,900</u>	<u>125,656,300</u>	<u>131,648,200</u>
EXPENDITURES BY CLASS					
Personnel Costs	46,543,300	50,741,000	52,948,800	48,639,900	50,640,600
Operating Expenses	15,468,700	15,177,400	15,120,800	17,605,000	17,727,700
Grants, Loans or Benefits	38,603,000	34,964,200	35,265,800	33,332,000	33,632,100
Debt Service			745,000		457,000
Capital Outlay	892,600	966,500	619,400	346,900	314,200
Construction				766,000	
TOTAL EXPENDITURES	<u>101,507,600</u>	<u>101,849,100</u>	<u>104,699,800</u>	<u>100,689,800</u>	<u>102,771,600</u>
EXPENDITURES BY UNIT					
Claims/Crime Victims'					
Compensation Board	2,037,800	2,141,000	2,113,400	2,087,500	2,115,700
Alcoholic Beverage Control	1,936,200	2,400,300	2,402,700	2,129,400	2,216,700
Financial Institutions	6,560,200	6,334,100	6,470,600	9,232,800	9,385,500
Racing Commission	15,999,600	16,147,800	16,318,300	16,134,900	16,318,300
Housing, Buildings and Construction	29,682,500	26,770,800	27,224,900	24,430,000	24,815,100
Insurance	10,445,800	11,570,900	11,709,300	10,990,100	11,219,600
Mines and Minerals	10,391,000	11,040,200	11,475,900	10,893,800	11,323,300
Public Advocacy	16,814,800	16,948,000	17,631,000	16,514,200	17,077,500
Public Service Commission	6,888,700	7,540,200	8,358,600	7,428,200	7,423,300
Secretary	303,700	430,500	452,500	319,100	335,400
Tax Appeals	447,300	525,300	542,600	529,800	541,200
TOTAL EXPENDITURES	<u>101,507,600</u>	<u>101,849,100</u>	<u>104,699,800</u>	<u>100,689,800</u>	<u>102,771,600</u>

The agencies comprising the Public Protection and Regulation Cabinet have principal responsibility for the supervision and regulation of various aspects of industries providing services to the citizens of the Commonwealth. This includes the enforcement of statutes and/or regulations ensuring the integrity of supervised industries and the safety of both the employees and the persons they serve.

PUBLIC PROTECTION AND REGULATION
Claims/Crime Victims' Compensation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	458,900	490,100	495,300	444,100	474,000
Restricted Agency Funds					
Balance Forward	331,700	261,800	265,300	359,900	340,900
Current Receipts	1,255,900	1,303,200	1,303,500	1,273,200	1,303,500
Total Restricted Agency Funds	1,587,600	1,565,000	1,568,800	1,633,100	1,644,400
Federal Funds					
Balance Forward	4,300	8,100	8,100	4,300	4,300
Current Receipts	351,200	351,200	351,200	351,200	351,200
Total Federal Funds	355,500	359,300	359,300	355,500	355,500
TOTAL FUNDS	2,402,000	2,414,400	2,423,400	2,432,700	2,473,900
EXPENDITURES BY CLASS					
Personnel Costs	643,700	690,100	716,700	698,100	725,000
Operating Expenses	1,394,100	1,405,900	1,396,700	1,389,400	1,390,700
Capital Outlay		45,000			
TOTAL EXPENDITURES	2,037,800	2,141,000	2,113,400	2,087,500	2,115,700
EXPENDITURES BY UNIT					
Claims	704,300	807,500	779,900	754,000	782,200
Crime Victims' Compensation	1,333,500	1,333,500	1,333,500	1,333,500	1,333,500
TOTAL EXPENDITURES	2,037,800	2,141,000	2,113,400	2,087,500	2,115,700

The Board of Claims functions pursuant to KRS Chapter 44 and is the only forum in which a citizen can sue the state for alleged negligence. Awards under \$500 are paid from funds of the agency at fault; awards over \$500 are paid from appropriations out of the General Fund and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$100,000 and there is a cap of \$250,000 on multiple claims arising from the same incident.

The Crime Victims' Compensation Board, under KRS Chapter 346, is empowered to reimburse innocent crime victims up to \$25,000 for their medical expenses, and lost wages that are not paid by any other source. In death cases, the Board may make awards for funeral expenses up to \$3,500.

The two Boards are composed of the same five members, and the same offices and staff serve them both.

PUBLIC PROTECTION AND REGULATION
Alcoholic Beverage Control

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,547,300	1,985,300	2,003,800	1,410,900	1,817,800
Restricted Agency Funds					
Balance Forward	373,300	384,300	403,900	392,900	92,900
Current Receipts	408,500	434,700	428,500	418,500	428,500
Total Restricted Agency Funds	781,800	819,000	832,400	811,400	521,400
TOTAL FUNDS	2,329,100	2,804,300	2,836,200	2,222,300	2,339,200
EXPENDITURES BY CLASS					
Personnel Costs	1,506,800	1,808,500	1,898,800	1,714,300	1,798,000
Operating Expenses	390,400	454,200	464,900	376,100	379,700
Capital Outlay	39,000	137,600	39,000	39,000	39,000
TOTAL EXPENDITURES	1,936,200	2,400,300	2,402,700	2,129,400	2,216,700
EXPENDITURES BY UNIT					
General Administration and Support	397,100	517,300	481,600	435,600	454,600
Distribution and Control	1,539,100	1,883,000	1,921,100	1,693,800	1,762,100
TOTAL EXPENDITURES	1,936,200	2,400,300	2,402,700	2,129,400	2,216,700

The Department of Alcoholic Beverage Control administers and enforces the laws and regulations relating to the manufacture, sale, transportation, storage, advertising and trafficking of alcoholic beverages, except for the collection of taxes, as set out in Chapters 241-244 of the Kentucky Revised Statutes and Title 804 of the Kentucky Administrative Regulations.

The Commissioner of the Department is its executive officer and serves as Chairman of the Alcoholic Beverage Control Board, which also includes the Administrators of the Malt Beverage and Distilled Spirits units, all three of whom are appointed by the Governor.

In exercising its quasi-judicial authority, the ABC Board may suspend, evoke, or cancel for cause, after hearing, any license issued relating to violation of alcoholic beverage laws; subpoena witnesses, administer and examine any person under oath, and require the production of documents; conduct hearings for and appeals from an applicant whose license is refused by city or county administrators; and revoke licenses and render decisions.

The Department has a complement of enforcement officers assigned throughout the state who conduct investigations, make regular inspections and otherwise monitor compliance with ABC laws.

Policy

The Department shall receive funds from the Kentucky Department of Agriculture and cooperate with Agriculture in order to implement laws relating to the sale and use of tobacco products, pursuant to the passage of Senate Bill 137 by the 1996 General Assembly.

PUBLIC PROTECTION AND REGULATION
Financial Institutions

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	4,433,500	12,163,400	15,920,900	8,008,800	8,732,100
Current Receipts	6,347,500	6,632,700	6,186,300	6,156,700	5,740,300
Non-Revenue Receipts	3,788,000	3,458,900	3,621,700	3,799,400	4,121,500
TOTAL FUNDS	14,569,000	22,255,000	25,728,900	17,964,900	18,593,900
EXPENDITURES BY CLASS					
Personnel Costs	4,005,200	4,855,600	5,049,400	4,680,300	4,860,300
Operating Expenses	2,462,100	1,273,500	1,276,200	4,472,500	4,475,200
Capital Outlay	92,900	205,000	145,000	80,000	50,000
TOTAL EXPENDITURES	6,560,200	6,334,100	6,470,600	9,232,800	9,385,500
EXPENDITURES BY UNIT					
Supervision	3,298,000	3,816,800	3,966,200	3,660,800	3,810,200
Law and Regulatory Compliance	850,300	1,273,700	1,223,500	1,044,600	1,024,400
Planning and Management	865,600	1,077,300	1,114,600	986,100	1,024,000
Investor Protection	171,400	166,300	166,300	166,300	151,900
Fund Transfer	1,374,900			3,375,000	3,375,000
TOTAL EXPENDITURES	6,560,200	6,334,100	6,470,600	9,232,800	9,385,500

The Department of Financial Institutions, established under KRS 287 administers the state supervisory and regulatory functions pertaining to banks, credit unions, savings and loans, consumer loan companies, industrial loan companies, mortgage loan companies, securities issuers, broker-dealers, agents and investment advisors. The Department is headed by a Commissioner, appointed by the Governor.

The Division of Supervision conducts examinations of all regulated institutions and assesses the soundness of those institutions based upon the findings of the examinations. When necessary, corrective letters and recommendations are issued.

The Division of Law and Regulatory Compliance is responsible for the processing of all applications and registrations submitted to the Department. In addition, the Division investigates all requests for licenses or charters, as well as violations of the Kentucky Securities Act in connection with the offer, sale and purchase of securities, and the licensing of broker-dealer, securities agents and investment advisors.

The Division of Planning and Management is charged with the administration of the accounting, purchasing, inventory control, budgeting, payroll and personnel management functions for the Department. The Division is also responsible for the development of computer examination programs, system upgrade planning, maintenance of the computer network, and computer usage education for employees.

Policy

Included in the above appropriation is a restricted fund transfer to General Fund Surplus in the amount of \$3,375,000 in each year of the biennium.

PUBLIC PROTECTION AND REGULATION
Racing Commission

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	845,600	869,500	894,100	856,600	894,100
Restricted Agency Funds					
Balance Forward	4,056,500	3,338,400	1,951,800	3,338,200	1,951,600
Current Receipts	1,145,700	1,146,700	1,147,700	1,146,700	1,147,700
Non-Revenue Receipts	13,290,000	12,745,000	12,525,000	12,745,000	12,525,000
Total Restricted Agency Funds	18,492,200	17,230,100	15,624,500	17,229,900	15,624,300
TOTAL FUNDS	19,337,800	18,099,600	16,518,600	18,086,500	16,518,400
EXPENDITURES BY CLASS					
Personnel Costs	1,372,600	1,407,600	1,468,800	1,407,600	1,468,800
Operating Expenses	503,700	513,500	514,100	500,600	514,100
Grants, Loans or Benefits	14,091,300	14,202,900	14,314,300	14,202,900	14,314,300
Capital Outlay	32,000	23,800	21,100	23,800	21,100
TOTAL EXPENDITURES	15,999,600	16,147,800	16,318,300	16,134,900	16,318,300
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	1,887,700	1,924,200	1,983,200	1,911,300	1,983,200
Breeders Award Fund	2,473,000	2,603,600	2,734,000	2,603,600	2,734,000
Equine Drug Research Council	623,900	623,900	623,900	623,900	623,900
Standardbred Development Fund	644,500	644,500	644,500	644,500	644,500
Thoroughbred Development Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Backside Improvement Commission	344,500	324,600	304,700	324,600	304,700
County Fair Purses	26,000	27,000	28,000	27,000	28,000
TOTAL EXPENDITURES	15,999,600	16,147,800	16,318,300	16,134,900	16,318,300

Under KRS 230, the Kentucky Racing Commission is responsible for the regulation of thoroughbred and harness horse racing and the fostering of thoroughbred and harness horse breeding within the Commonwealth.

The Commission has the authority to prescribe rules, regulations, and conditions under which all legitimate thoroughbred, harness horse, Quarter Horse, Appaloosa, and Arabian racing and wagering may be conducted in the Commonwealth.

The 1982 General Assembly, under KRS 231.265, created the Equine Drug Council to advise the Commission on research programs. Funding is provided under KRS 138.510, where one-tenth of one percent of the thoroughbred parimutuel handle is to be disbursed under the direction of the Racing Commission.

The Thoroughbred Development Fund was created by the 1978 General Assembly and operates under the provisions of KRS 230.400. The fund was created to promote interest in raising and racing thoroughbred horses in the Commonwealth; to attract breeders from other states to send their breeding stock to Kentucky; and to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourths of one percent of the total parimutuel handle.

The Standardbred Development Fund was created to promote the raising and racing of harness horses sired by stallions standing in Kentucky; to attract breeders from other states to send their breeding stock to Kentucky; to increase the number of owners in Kentucky; and to increase the number of horses bred in Kentucky. One percent of the pari-mutuel handle from the harness horse racing tracks is deposited in a revolving fund account for the Standardbred Development Fund.

Under the authority of KRS 230.398, the County Fair Purse Fund receives funding from uncashed pari-mutuel tickets and redistributes the funds in the form of purse supplements to county fairs.

The Backside Improvement Commission was established by House Bill 478 of the 1980 General Assembly. Under KRS 138.510, racing associations averaging \$1,200,000 or less per racing day are required to pay one-half of one percent of their total handle to the Fund. The Backside Improvement Commission is charged with promoting, enhancing and improving the conditions of the backsides of Turfway and Ellis Parks.

The Breeders' Award Fund was created by the 1992 General Assembly as an incentive for the Kentucky breeding industry. The program makes awards to the owners of dams and stallions of eligible Kentucky horses which race in the state. Total receipts for this fund are divided in the following manner: 90 percent to thoroughbred breeders; 7 percent to harness sires' stakes races; and 3 percent to harness purses at county fairs. Kentucky's off-track betting network provides the total funding for this program.

Policy

The budget bill suspends KRS 230.217(3), which guarantees a balance each year of \$3,750,000 effective July 1, 1993, for the Breeders' Award Fund and requires the General Fund to supplement restricted funds in the event that the balance is not met. Suspension of this statute relieves any General Fund obligation.

PUBLIC PROTECTION AND REGULATION
Housing, Buildings, and Construction

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,066,300	3,742,100	3,886,000	3,291,500	3,446,100
Restricted Agency Funds					
Balance Forward	4,613,700	7,500,000	11,283,500	5,271,500	10,668,900
Current Receipts	6,738,200	6,276,400	6,178,300	6,000,100	5,907,400
Non-Revenue Receipts	20,535,800	20,535,800	20,535,800	20,535,800	20,535,800
Total Restricted Agency Funds	31,887,700	34,312,200	37,997,600	31,807,400	37,112,100
TOTAL FUNDS	34,954,000	38,054,300	41,883,600	35,098,900	40,558,200
EXPENDITURES BY CLASS					
Personnel Costs	9,706,500	9,755,400	10,146,200	9,253,200	9,636,000
Operating Expenses	1,865,500	2,208,300	2,295,600	2,027,200	2,029,500
Grants, Loans or Benefits	17,988,700	14,627,800	14,627,800	13,027,800	13,027,800
Capital Outlay	121,800	179,300	155,300	121,800	121,800
TOTAL EXPENDITURES	29,682,500	26,770,800	27,224,900	24,430,000	24,815,100
EXPENDITURES BY UNIT					
General Administration and Support	949,400	1,116,800	1,164,800	980,700	1,025,700
Plumbing	2,742,100	2,865,000	2,958,000	2,871,900	2,962,900
Building Codes Enforcement	1,601,000	1,744,200	1,801,800	1,648,000	1,710,000
Firefighters Foundation Fund	20,544,800	16,577,000	16,680,100	14,908,600	14,926,200
Regulation of Minimum Safety Standards	3,738,000	4,073,000	4,222,000	3,902,300	4,063,000
HVAC	107,200	394,800	398,200	118,500	127,300
TOTAL EXPENDITURES	29,682,500	26,770,800	27,224,900	24,430,000	24,815,100

The Department of Housing, Buildings, and Construction was created by Executive Order 77-1156 and derives its authority from KRS 198B. Its primary purpose is to devise and enforce an effective building inspection program as well as to prevent fire and life-safety hazards. In this regard, the Board of Housing, Buildings, and Construction was established to adopt a uniform building code for Kentucky.

The General Administration and Support program provides overall planning, management, policy, direction, legal counsel, and support services for the Department.

The Regulation of Minimum Safety Standards program enforces life safety codes and state and federal laws and regulations including performing property inspections, reviewing plans for remodeled or improved property, regulating the use and storage of hazardous materials and responding to related emergencies. The program also includes the inspection and plan review of boilers and pressure piping as well as elevators, monitoring the construction and sales of mobile homes and recreational vehicles, testing and licensing of electrical inspectors, boiler contractors, underground petroleum storage tank contractors, and sprinkler system contractors.

The Building Codes Enforcement program was created by Executive Order 79-1146 to provide overall coordination and enforcement of the Kentucky Uniform Building Code and provides inspection, plans review and technical services to the building community. The program is funded primarily from plans review fees.

The Plumbing Division, a fee-supported program, has the responsibility to fulfill the mandate of the State Plumbing Law; i.e., the inspection of plumbing systems in all buildings throughout the state, the approval of plans in all types of public buildings, the renewal of master and journeyman plumber's licenses, assisting the State Plumbing Code Committee in its review of the plumbing code regulations and in the review and approval of new materials and techniques. This Division is also responsible for the annual licensing and oversight of the activities of heating, ventilation, and air conditioning contractors, mechanics and apprentices.

The Firefighters' Foundation Fund program was created by the 1992 General Assembly by combining the Professional Firefighters Foundation Program Fund and the State Aid Program for qualified volunteer fire departments. The program strives to reduce and prevent the loss of life or property by fire and other hazards through a better trained and equipped professional and volunteer firefighting force for the Commonwealth. The program provides educational incentive pay for firefighters, grants to volunteer fire departments, workers compensation for volunteer firefighters, regional training facility grants, a revolving low interest loan program for volunteer fire departments, survivor's benefits to families of deceased firefighters, and Hepatitis B inoculations for all firefighters.

PUBLIC PROTECTION AND REGULATION
Insurance

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	2,257,400	2,000,000	2,000,000	2,000,000	2,000,000
Current Receipts	5,897,700	6,695,100	6,683,700	6,114,300	6,213,700
Non-Revenue Receipts	4,290,700	4,875,800	5,025,600	4,875,800	5,025,600
TOTAL FUNDS	12,445,800	13,570,900	13,709,300	12,990,100	13,239,300
EXPENDITURES BY CLASS					
Personnel Costs	6,045,700	6,984,200	7,233,700	6,583,300	6,812,800
Operating Expenses	4,387,400	4,574,000	4,462,900	4,394,100	4,394,100
Capital Outlay	12,700	12,700	12,700	12,700	12,700
TOTAL EXPENDITURES	10,445,800	11,570,900	11,709,300	10,990,100	11,219,600
EXPENDITURES BY UNIT					
Administrative Services	903,100	3,553,900	3,596,100	1,035,000	1,076,400
Property and Casualty	377,200	392,000	408,700	402,900	420,100
Financial Standards and Examinations	3,012,600	3,011,900	3,031,300	3,011,900	3,031,300
General Counsel	1,266,800	2,073,500	2,064,400	1,584,000	1,652,300
Agent Licensing	583,000	636,700	662,700	636,700	662,700
Consumer Information	72,800	72,800	72,800	72,800	72,800
State Risk and Insurance Services	490,200	599,700	606,100	517,400	537,600
Mine Subsidence Insurance	359,700	362,300	364,100	362,300	364,100
Office of the Commissioner	452,700	391,500	405,600	391,500	405,600
Life and Health	427,700	476,600	497,500	475,600	496,700
Fund Transfer	2,500,000			2,500,000	2,500,000
TOTAL EXPENDITURES	10,445,800	11,570,900	11,709,300	10,990,100	11,219,600

The Department of Insurance has authority under KRS 304 to license, supervise, and regulate insurance companies doing business in Kentucky.

The Division of Administrative Services provides general support to the other divisions.

The Division of Agent Licensing examines prospective agents as to their knowledge of insurance laws, regulations, and ethics; licenses new qualified agents; and issues agents' renewal licenses on a biannual basis.

The Division of Financial Standards and Examinations is responsible for the financial and audit functions of the Department pertaining to insurers. It also coordinates information sharing between the Department and the National Association of Insurance Commissioners.

The General Counsel Division provides legal counsel to the Department, conducts litigation and administrative action proceedings on behalf of the agency, investigates fraud, and provides legal opinions to regulated industry representatives and the public.

The Division of Life and Health regulates all admitted insurance companies through application of statutory requirements to approve or disapprove policy contracts, filings, forms, rates, and advertisements to protect the consuming public.

The Division of Property and Casualty provides an alternative market for specialty and hard-to-place risks when coverage in the admitted market cannot be obtained, and maintains a listing of stable, non-admitted carriers. The Risk and Insurance Services Division activities include: bidding all major insurance programs, consolidating small policies by coverage line, keeping current the statewide appraisal of all insured properties, developing a comprehensive loss prevention program, and modernizing the administration of the Fire and Tornado Fund.

Policy

Included in the appropriation is a transfer of \$2,500,000 each year of the biennium to the General Fund Surplus in accordance with KRS 304.2-400.

PUBLIC PROTECTION AND REGULATION
Mines and Minerals

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,040,800	8,769,600	9,228,000	7,913,600	9,785,200
Restricted Agency Funds					
Balance Forward	1,226,000	1,470,600	709,800	1,470,400	
Current Receipts	867,100	867,100	867,100	867,100	867,100
Total Restricted Agency Funds	2,093,100	2,337,700	1,576,900	2,337,500	867,100
Federal Funds					
Current Receipts	727,500	642,700	671,000	642,700	671,000
TOTAL FUNDS	11,861,400	11,750,000	11,475,900	10,893,800	11,323,300
EXPENDITURES BY CLASS					
Personnel Costs	8,632,600	9,370,200	9,790,900	9,223,800	9,635,300
Operating Expenses	1,517,800	1,600,400	1,615,400	1,600,400	1,618,400
Capital Outlay	240,600	69,600	69,600	69,600	69,600
TOTAL EXPENDITURES	10,391,000	11,040,200	11,475,900	10,893,800	11,323,300
EXPENDITURES BY UNIT					
General Administration and Support	1,351,800	1,438,000	1,487,100	1,472,900	1,523,500
Explosives and Blasting	550,500	587,400	612,200	597,700	622,100
Mine Safety Analysis	1,807,800	1,953,500	2,029,400	1,889,900	1,962,200
Training and Education	647,500	642,700	671,000	642,700	671,000
Training, Education and Certification	453,600	476,700	499,400	485,000	508,200
Mine Safety and Health	4,426,900	4,713,500	4,893,200	4,588,800	4,764,900
Oil and Gas Conservation	1,152,900	1,228,400	1,283,600	1,216,800	1,271,400
TOTAL EXPENDITURES	10,391,000	11,040,200	11,475,900	10,893,800	11,323,300

The Department of Mines and Minerals, established in 1880 by KRS 351, is responsible for the regulation of mining practices for the prevention of injuries and fatalities in underground, strip, and auger mines.

The General Administration and Support program includes the Commissioner's Office, which provides the executive policy and management guidance for the Department; the Research and Statistics unit, which provides statistical information to the U. S. Bureau of Mines and the U. S. Department of Labor, Mine Safety Health Administration; the Board of Miner Training, Education and Certification, which examines each candidate and certifies those found qualified; and the Administrative Services unit, which provides personnel administration, accounting, budgeting, and other services for the Department.

The Mine Safety and Health Inspection Division is required by law to conduct a minimum of two inspections per mine per year and additional inspections as needed to correct deficiencies; to license all commercial coal and clay mines in the Commonwealth; to investigate all serious and fatal accidents occurring in the Commonwealth's coal and clay mining operations; to investigate all reported fires, ignitions, and explosions occurring in the Commonwealth's coal and clay mining operations; and to investigate all complaints.

The Oil and Gas Conservation program is responsible for the conservation of oil and gas resources of the Commonwealth and for the protection of correlative rights of mineral owners. The program is also charged with the collection of geological data, obtained from the drilling of oil and gas wells, for deposit in the Kentucky Geological Survey.

In response to the 1976 Scotia mine disaster, the Deep Mining Safety Commission was created to investigate the causes of mine disasters and recommend changes to stop accidents such as Scotia from happening again. From the recommendations of the Deep Mining Safety Commission, the Division of Mine Safety Analysis was created by the 1976 Extraordinary Session of the General Assembly and is charged with the enforcement of KRS 351 regarding the regulations of mining operations by analyzing the work habits of the underground coal and/or clay miners.

The Division of Explosives and Blasting regulates the manufacture, sale, transport, storage, and use of explosives within the Commonwealth. The Division also trains, tests, and licenses those applicants qualified to be blasters.

The Division of Miner Education Certification, also created by the 1976 Extraordinary Session of the General Assembly, is charged with the enforcement of KRS 351 concerning the training, education, and certification by the Board of Miner Training, Education, and Certification of underground coal and clay miners.

The Mine Safety and Health Training, Education, and Instruction program is funded through a grant from the U. S. Department of Labor, Mine Safety Health Administration. It provides training and education courses to mine personnel to support the industry, which is required to maintain certification for local miners.

PUBLIC PROTECTION AND REGULATION
Public Advocacy

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,728,100	13,587,200	14,279,900	13,225,600	13,643,200
Restricted Agency Funds					
Balance Forward	1,434,800	1,028,900	1,280,100	1,028,900	1,117,700
Current Receipts	2,281,100	2,514,100	2,586,900	2,411,800	2,468,100
Total Restricted Agency Funds	3,715,900	3,543,000	3,867,000	3,440,700	3,585,800
Federal Funds					
Balance Forward	52,000				
Current Receipts	1,244,500	844,700	888,400	855,100	899,000
Non-Revenue Receipts	103,200	110,500	116,000	110,500	116,000
Total Federal Funds	1,399,700	955,200	1,004,400	965,600	1,015,000
TOTAL FUNDS	17,843,700	18,085,400	19,151,300	17,631,900	18,244,000
EXPENDITURES BY CLASS					
Personnel Costs	8,482,100	9,030,000	9,483,300	8,682,300	9,006,700
Operating Expenses	1,740,800	1,772,500	1,824,000	1,730,600	1,780,800
Grants, Loans or Benefits	6,523,000	6,133,500	6,323,700	6,101,300	6,290,000
Capital Outlay	68,900	12,000			
TOTAL EXPENDITURES	16,814,800	16,948,000	17,631,000	16,514,200	17,077,500
EXPENDITURES BY UNIT					
Law Operations	1,130,700	1,213,600	1,260,100	1,114,300	1,155,500
Defense Services	14,353,700	14,379,000	14,950,500	14,030,700	14,487,700
Protection and Advocacy	1,330,400	1,355,400	1,420,400	1,369,200	1,434,300
TOTAL EXPENDITURES	16,814,800	16,948,000	17,631,000	16,514,200	17,077,500

The Kentucky Department of Public Advocacy (DPA) was established by the 1972 General Assembly when it enacted KRS Chapter 31 to provide for the representation of indigent persons accused of crimes or mental states which may result in their incarceration or confinement.

Kentucky's mandated public defender services are delivered by a "mixed" system consisting of full-time state employed public defenders, full-time non-state public defenders, and part-time private attorneys contracting with the Department to provide services.

The Law Operations Division provides budget, strategic planning, personnel, administrative, training, library services, research, and management support for the efficient and effective delivery of defender and protection and advocacy services pursuant to KRS 31 and KRS 31.030(7)(8)(10).

The Defense Services Division provides legal representation to all needy persons accused or convicted of crimes punishable by loss of liberty or a fine of \$500 or more and all needy persons faced with involuntary commitments due to mental state or condition.

The Department's Protection and Advocacy Division was established pursuant to Public Law 93-19, Public Law 101-496, and KRS 31.010 and provides for the legal, administrative, and other appropriate remedies to insure the protection of Kentuckians with developmental disabilities and mental illnesses. Most of the funds in this division's budget are federal funds that have strict non-supplanting requirements.

Policy

Additional funding of \$224,000 (\$162,000 General Fund and \$62,000 Restricted Funds) in fiscal year 1997 and \$235,000 (\$170,000 General Fund and \$65,000 restricted funds) in fiscal year 1998 to restore seven permanent, full-time field office positions (five attorneys, one investigator, and one secretary).

PUBLIC PROTECTION AND REGULATION
Public Service Commission

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,819,900	6,974,800	8,196,000	5,934,000	7,260,700
Continuing Appropriation	402,700	401,400		565,600	
Total General Fund	<u>7,222,600</u>	<u>7,376,200</u>	<u>8,196,000</u>	<u>6,499,600</u>	<u>7,260,700</u>
Restricted Agency Funds					
Balance Forward	775,300			775,300	9,300
Current Receipts	22,500	22,500	22,500	22,500	22,500
Total Restricted Agency Funds	<u>797,800</u>	<u>22,500</u>	<u>22,500</u>	<u>797,800</u>	<u>31,800</u>
Federal Funds					
Balance Forward	48,800			48,800	48,800
Current Receipts	209,200	141,500	140,100	140,100	140,100
Total Federal Funds	<u>258,000</u>	<u>141,500</u>	<u>140,100</u>	<u>188,900</u>	<u>188,900</u>
TOTAL FUNDS	<u>8,278,400</u>	<u>7,540,200</u>	<u>8,358,600</u>	<u>7,486,300</u>	<u>7,481,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	5,538,900	6,019,300	6,306,200	5,681,700	5,959,000
Operating Expenses	1,086,100	1,239,400	1,130,700	980,500	1,007,300
Debt Service			745,000		457,000
Capital Outlay	263,700	281,500	176,700		
Construction				766,000	
TOTAL EXPENDITURES	<u>6,888,700</u>	<u>7,540,200</u>	<u>8,358,600</u>	<u>7,428,200</u>	<u>7,423,300</u>
EXPENDITURES BY UNIT					
Engineering Services	1,729,100	1,726,700	1,668,100	1,601,400	1,678,700
General Administration and Support	5,159,600	5,813,500	6,690,500	5,826,800	5,744,600
TOTAL EXPENDITURES	<u>6,888,700</u>	<u>7,540,200</u>	<u>8,358,600</u>	<u>7,428,200</u>	<u>7,423,300</u>

The Public Service Commission is a three-member administrative body with quasi-legislative and quasi-judicial duties.

Created by the 1934 General Assembly, the Commission regulates the intrastate rates and services of over 500 investor-owned electric, natural gas, telephone, water and sewage utilities, rural electric and telephone cooperatives, and water districts and associations. The Commission performs its regulatory functions through written orders following adjudicative and rulemaking procedures outlined in Chapter 278 of the Kentucky Revised Statutes and administrative regulations promulgated by the Commission in Chapter 807 of the Kentucky Administrative Regulations.

The Commission's goal is to ensure that every utility charges fair, just and reasonable rates for the services rendered and that those services are adequate, efficient and reasonable.

The agency is funded by an assessment of all utilities under the Commission's jurisdiction based on the annual gross intrastate revenues.

Policy

Included in the above General Fund appropriation is \$457,000 in fiscal year 1998 for debt service for a new office building.

PUBLIC PROTECTION AND REGULATION
Secretary

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	303,700	430,500	452,500	319,100	335,400
EXPENDITURES BY CLASS					
Personnel Costs	239,300	362,200	380,000	251,200	263,400
Operating Expenses	64,400	68,300	72,500	67,900	72,000
TOTAL EXPENDITURES	<u>303,700</u>	<u>430,500</u>	<u>452,500</u>	<u>319,100</u>	<u>335,400</u>

The Office of the Secretary serves the Governor as advisor and liaison for the overall direction and coordination of the ten departments, boards, and commissions under this Cabinet as outlined in KRS 12.265. The Secretary guides Cabinet agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the public. The Secretary is also responsible for providing Cabinet agencies with legislative leadership and for establishing good working relationships with members of the Kentucky General Assembly and other state and federal agencies.

PUBLIC PROTECTION AND REGULATION
Tax Appeals

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	265,700	525,300	542,600	529,800	541,200
Current Year Appropriation	181,600				
TOTAL FUNDS	<u>447,300</u>	<u>525,300</u>	<u>542,600</u>	<u>529,800</u>	<u>541,200</u>
EXPENDITURES BY CLASS					
Personnel Costs	369,900	457,900	474,800	464,100	475,300
Operating Expenses	56,400	67,400	67,800	65,700	65,900
Capital Outlay	21,000				
TOTAL EXPENDITURES	<u>447,300</u>	<u>525,300</u>	<u>542,600</u>	<u>529,800</u>	<u>541,200</u>

The Board of Tax Appeals was created by the 1964 General Assembly as an independent administrative review agency with exclusive jurisdiction to hear and determine appeals from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation as detailed in KRS 131.

The Board consists of three members appointed by the Governor for staggered four year terms. One member is designated by the Governor as chairman. The Board employs two additional persons for administrative purposes.

Any party aggrieved by a final order, decision, or determination of the Board of Tax Appeals, except on appeals from a county board of assessment appeals, may file an appeal with the Franklin Circuit Court or the Circuit Court of the county in which the aggrieved party resides or operates their place of business. Persons aggrieved by final rulings of cases appealed to the Board from county boards of assessment appeals, may appeal to the Circuit Court in the county where the appeals originated.

Policy

The 1996 General Assembly approved a current year appropriation in the amount of \$181,600 for the remainder of fiscal year 1996 to hire two hearing officers and secretarial support, utilizing personal service contracts. A detailed breakdown of expenditures includes \$134,500 for personnel, \$26,100 for operating, and \$21,000 for capital outlay. In addition, the Board will be relocating to new offices.

The current year appropriation was needed to reduce the backlog of hearings resulting from the reassessment of all property at fair market value throughout the state, required by the 1990 Kentucky Education Reform Act (House Bill 940) and the passage of House Bill 334 in 1994, which placed time limits on the processing of appeals and the rendering of decisions.

Recurring expenditures associated with the current year appropriation are \$266,000 in each fiscal year of the biennium. A detailed breakdown of expenditures in fiscal years 1997 and 1998 includes \$230,600 for personal service contracts and \$35,400 for operating.

REVENUE

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	66,701,300	94,406,600	100,540,200	74,025,300	77,699,400
Current Year Appropriation	2,046,800				
Total General Fund	68,748,100	94,406,600	100,540,200	74,025,300	77,699,400
Restricted Agency Funds					
Balance Forward	3,112,200	2,654,500	1,874,800	2,695,300	1,585,400
Current Receipts	4,332,700	5,046,300	5,094,400	4,082,300	4,146,400
Non-Revenue Receipts	157,000	162,000	167,000	162,000	167,000
Total Restricted Agency Funds	7,601,900	7,862,800	7,136,200	6,939,600	5,898,800
Federal Funds					
Current Receipts	90,000	90,000	90,000	90,000	90,000
Road Fund					
Regular Appropriation	1,352,000	1,432,900	1,518,900	1,352,000	1,352,000
TOTAL FUNDS	77,792,000	103,792,300	109,285,300	82,406,900	85,040,200
EXPENDITURES BY CLASS					
Personnel Costs	57,079,200	71,705,000	76,105,800	61,198,500	64,123,800
Operating Expenses	17,244,400	27,284,000	28,530,200	18,623,000	19,177,900
Capital Outlay	773,100	2,928,500	3,630,900	1,000,000	1,000,000
TOTAL EXPENDITURES	75,096,700	101,917,500	108,266,900	80,821,500	84,301,700
EXPENDITURES BY UNIT					
General Administration	25,509,300	37,680,800	39,682,100	27,186,600	28,248,500
Compliance and Taxpayer Assistance	22,897,400	27,358,300	28,536,600	24,668,000	25,820,700
Property Taxation	6,687,200	13,895,900	15,950,300	7,424,900	7,677,900
Property Valuation Administrators	20,002,800	22,982,500	24,097,900	21,542,000	22,554,600
TOTAL EXPENDITURES	75,096,700	101,917,500	108,266,900	80,821,500	84,301,700

The Revenue Cabinet is the statutory agency of state government responsible for the thorough and equitable administration of all state revenue laws, and for the assessment and collection of 44 separate state taxes. In fulfilling this responsibility, the Cabinet seeks to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

The Revenue Cabinet is a central service agency with its level of effort depending on the requirements of the various tax laws it administers and the needs of taxpayers in complying with those laws. The principal beneficiaries of the programs managed by the Cabinet are all Kentucky taxpayers.

NOTE:

The Revenue Cabinet was reorganized pursuant to the 1994 Acts Chapter 422, Section 2. The Secretary of the Revenue Cabinet executed Administrative Order 94-01 in response to legislative action and reorganized the Cabinet prior to the passage of House Bill 2, First Extraordinary Session of 1994. As a result of this action, the enacted appropriations will not match appropriations for fiscal year 1995-96 below the Cabinet level. Language in House Bill 379 reconfigures these new appropriation levels to legally conform with the amounts displayed in this document.

House Bill 379 established two appropriations: the Revenue Cabinet and the Property Valuation Administrators. In the past the Revenue Cabinet consisted of four appropriations (General Administration, Compliance and Taxpayer Assistance, Property Taxation, and Property Valuation Administrators). For display purposes, this document is presented by departments within the Revenue Cabinet.

Policy

The 1996 General Assembly approved a current year appropriation of \$2,046,800. A detailed breakdown consists of \$1,681,500 for General Administration and \$365,300 for Property Taxation.

REVENUE
General Administration

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,665,300	37,503,500	39,489,800	27,009,300	28,056,200
Current Year Appropriation	1,681,500				
Total General Fund	<u>25,346,800</u>	<u>37,503,500</u>	<u>39,489,800</u>	<u>27,009,300</u>	<u>28,056,200</u>
Restricted Agency Funds					
Balance Forward	191,700	166,000	163,500	166,000	163,500
Current Receipts	136,800	174,800	134,800	174,800	134,800
Total Restricted Agency Funds	<u>328,500</u>	<u>340,800</u>	<u>298,300</u>	<u>340,800</u>	<u>298,300</u>
TOTAL FUNDS	<u>25,675,300</u>	<u>37,844,300</u>	<u>39,788,100</u>	<u>27,350,100</u>	<u>28,354,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	12,544,000	17,266,300	19,067,800	12,670,700	13,229,900
Operating Expenses	12,361,300	18,332,200	19,171,900	13,585,900	14,088,600
Capital Outlay	604,000	2,082,300	1,442,400	930,000	930,000
TOTAL EXPENDITURES	<u>25,509,300</u>	<u>37,680,800</u>	<u>39,682,100</u>	<u>27,186,600</u>	<u>28,248,500</u>
EXPENDITURES BY UNIT					
Secretary	606,800	641,100	670,500	654,500	686,200
General Counsel	2,801,900	2,947,500	3,088,200	2,886,500	3,026,500
Financial and Administrative Services	15,344,700	17,102,800	17,767,000	17,374,200	17,976,700
Information Systems Resources	1,574,100	11,441,100	12,352,000	1,473,500	1,546,200
Revenue Operations	4,881,800	5,248,300	5,504,400	4,497,900	4,712,900
Outside Legal Counsel	300,000	300,000	300,000	300,000	300,000
TOTAL EXPENDITURES	<u>25,509,300</u>	<u>37,680,800</u>	<u>39,682,100</u>	<u>27,186,600</u>	<u>28,248,500</u>

The General Administration appropriation unit represents the Office of the Secretary, Office of General Counsel, and the Department of Administrative Services.

The Secretary is responsible for the management and leadership of all Cabinet employees in fulfilling the agency's mission. The Secretary provides strategic direction to the Cabinet and is responsible for the effectiveness of programs and the efficient management of resources. The Secretary sets program priorities and is responsible for providing the Executive and Legislative branches with timely revenue information. Assisting the Secretary in fulfilling the Cabinet's mission are the Office of the Taxpayer Ombudsman, Strategic Planning/Program Review, and an Internal Auditor. Each office functions as a separate unit, and reports directly to the Cabinet Secretary.

The Office of General Counsel was created under the provisions of House Bill 488 enacted in the 1994 Regular Session of the General Assembly. The duties of the Office of General Counsel include establishing tax policy, providing legal services, administering the legislative program, conducting tax research, and administering protested audits. The office consists of three divisions: Legal Services, Tax Policy and Research and Protest Resolution.

The Department of Administrative Services is responsible for providing general management support services for all Cabinet programs and consists of three divisions: Financial and Administrative Services, Revenue Operations, and Information Systems Resources.

The Division of Financial and Administrative Services include: budgeting, purchasing, personnel and payroll, property and mail services, employee training and development, public information, tax forms management, and Cabinet publications development. The Division is also responsible for assisting Property Valuation Administrators in budgetary and personnel matters.

The Division of Information Systems Resource functions include: information technology planning and implementation, computer application development and analysis, network administration, technology procurement and installation, and mainframe systems oversight.

The Division of Revenue Operations functions include: the processing of all tax receipts, documents and correspondence, registration of businesses, individual income tax returns and refund processing, maintaining appropriate storage, retrieval and management of all related tax records for the Commonwealth.

Policy

The 1996 General Assembly approved a current year appropriation of \$1,681,500 for the Department of Administrative Services. This current year appropriation will be used for continued operations of the Compliance and Receivables System (CARS).

REVENUE
Compliance and Taxpayer Assistance

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,581,200	24,954,700	26,007,200	22,005,600	23,458,200
Restricted Agency Funds					
Balance Forward	750,200	693,800	559,500	693,800	229,300
Current Receipts	920,900	870,500	870,500	880,000	880,000
Non-Revenue Receipts	157,000	162,000	167,000	162,000	167,000
Total Restricted Agency Funds	<u>1,828,100</u>	<u>1,726,300</u>	<u>1,597,000</u>	<u>1,735,800</u>	<u>1,276,300</u>
Federal Funds					
Current Receipts	90,000	90,000	90,000	90,000	90,000
Road Fund					
Regular Appropriation	1,091,900	1,146,800	1,204,200	1,065,900	1,037,300
TOTAL FUNDS	<u>23,591,200</u>	<u>27,917,800</u>	<u>28,898,400</u>	<u>24,897,300</u>	<u>25,861,800</u>
EXPENDITURES BY CLASS					
Personnel Costs	20,697,800	24,435,600	25,674,200	22,452,200	23,568,400
Operating Expenses	2,199,600	2,728,900	2,800,500	2,215,800	2,252,300
Capital Outlay		193,800	61,900		
TOTAL EXPENDITURES	<u>22,897,400</u>	<u>27,358,300</u>	<u>28,536,600</u>	<u>24,668,000</u>	<u>25,820,700</u>
EXPENDITURES BY UNIT					
Collections	4,905,700	6,007,400	6,229,400	5,364,500	5,612,500
Tax Administration	7,439,100	9,938,200	10,388,900	8,581,800	8,994,200
Provider Tax	445,700				
Field Operations	10,106,900	11,412,700	11,918,300	10,721,700	11,214,000
TOTAL EXPENDITURES	<u>22,897,400</u>	<u>27,358,300</u>	<u>28,536,600</u>	<u>24,668,000</u>	<u>25,820,700</u>

Under authority granted the Revenue Cabinet in KRS 131.030 and 131.130, the Department of Compliance and Taxpayer Assistance consists of three divisions: Field Operations, Tax Administration, and Collections. The Division of Field Operations has 11 offices located throughout the state and is responsible for field audits and providing taxpayer assistance. The Division of Tax Administration is responsible for conducting office audits of tax returns, administering compliance, providing liaison with federal and state agencies, and rendering taxpayer assistance. The Division of Collections is responsible for collecting delinquent taxes through both legal and administrative methods.

The Provider Tax Program functions which appear in fiscal year 1996 have been relocated to the Tax Administration Program for the 1996-98 biennium, which will result in increased efficiency.

REVENUE
Property Taxation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,500,500	10,575,000	12,616,800	5,577,500	5,801,900
Current Year Appropriation	365,300				
Total General Fund	<u>4,865,800</u>	<u>10,575,000</u>	<u>12,616,800</u>	<u>5,577,500</u>	<u>5,801,900</u>
Restricted Agency Funds					
Balance Forward	895,200	853,900	512,600	853,900	512,600
Current Receipts	1,520,000	2,693,500	2,727,500	1,220,000	1,270,000
Total Restricted Agency Funds	<u>2,415,200</u>	<u>3,547,400</u>	<u>3,240,100</u>	<u>2,073,900</u>	<u>1,782,600</u>
Road Fund					
Regular Appropriation	260,100	286,100	314,700	286,100	314,700
TOTAL FUNDS	<u>7,541,100</u>	<u>14,408,500</u>	<u>16,171,600</u>	<u>7,937,500</u>	<u>7,899,200</u>
EXPENDITURES BY CLASS					
Personnel Costs	4,314,000	7,508,600	7,776,800	4,995,600	5,232,900
Operating Expenses	2,204,100	5,734,900	6,046,900	2,359,300	2,375,000
Capital Outlay	169,100	652,400	2,126,600	70,000	70,000
TOTAL EXPENDITURES	<u>6,687,200</u>	<u>13,895,900</u>	<u>15,950,300</u>	<u>7,424,900</u>	<u>7,677,900</u>
EXPENDITURES BY UNIT					
Property Assessment and Identification	4,452,700	8,644,300	8,691,000	5,166,700	5,364,000
Unmined Minerals	781,600	806,300	830,300	783,800	806,000
Motax	1,452,900	4,445,300	6,429,000	1,474,400	1,507,900
TOTAL EXPENDITURES	<u>6,687,200</u>	<u>13,895,900</u>	<u>15,950,300</u>	<u>7,424,900</u>	<u>7,677,900</u>

The Department of Property Taxation administers and supervises the programs and processes involved in state and local property tax assessment and in state property tax collection. Numerous provisions in KRS 131, 132, 133, 134, and 136 define and describe the Department's responsibilities. These include providing administrative support, technical assistance, and supervision to 120 Property Valuation Administrator (PVA) offices, and coordinating the property tax activities of sheriffs, county clerks, and other local officials. In addition, the Department directly assesses public service companies and several other classes of property.

The Department also administers the centralized Motor Vehicle Tax System (MOTAX), the Personal Property Tax Assessment System, and a program to audit taxpayer compliance in listing intangible and tangible personal property. The Department also initiates various compliance programs to collect delinquent and omitted property taxes as well as mapping property throughout the state.

Policy

The 1996 General Assembly approved a current year appropriation in the amount of \$365,300. The current year appropriation was needed to comply with the Kentucky Supreme Court's ruling in the Hershel St. Ledger v. Revenue Cabinet case. A detailed breakdown includes \$173,600 for personnel to hire 25 seasonals, \$119,200 for operating, and \$72,500 for capital outlay. The case focuses on the state's taxation of bank deposits which violated the interstate commerce clause of the United States Constitution. Another issue in the case involves the taxation of corporate stocks. The Kentucky Supreme Court has upheld this issue, but an appeal to the U. S. Supreme Court in a similar case in North Carolina Fulton Corporation Vs. Faulkner, is pending and a decision should be forthcoming in fiscal year 1996.

Additional General Funds in the amount of \$790,100 in fiscal year 1997 and \$807,000 in fiscal year 1998 was approved by the 1996 General Assembly. This funding will be used to continue the processing of the tax returns associated with the Hershel St. Ledger v. Revenue Cabinet case. Detail expenditures for fiscal year 1997 includes \$532,600 for personnel and \$257,500 for operating. Detailed expenditures for fiscal year 1998 includes \$549,500 for personnel and \$257,500 for operating. All tax refunds associated with this case will be completed in fiscal year 1998.

REVENUE
Property Valuation Administrators

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,954,300	21,373,400	22,426,400	19,432,900	20,383,100
Restricted Agency Funds					
Balance Forward	1,275,100	940,800	639,200	981,600	680,000
Current Receipts	1,755,000	1,307,500	1,361,600	1,807,500	1,861,600
Total Restricted Agency Funds	<u>3,030,100</u>	<u>2,248,300</u>	<u>2,000,800</u>	<u>2,789,100</u>	<u>2,541,600</u>
TOTAL FUNDS	<u>20,984,400</u>	<u>23,621,700</u>	<u>24,427,200</u>	<u>22,222,000</u>	<u>22,924,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	19,523,400	22,494,500	23,587,000	21,080,000	22,092,600
Operating Expenses	479,400	488,000	510,900	462,000	462,000
TOTAL EXPENDITURES	<u>20,002,800</u>	<u>22,982,500</u>	<u>24,097,900</u>	<u>21,542,000</u>	<u>22,554,600</u>
EXPENDITURES BY UNIT					
Property Valuation Administrators	17,954,300	21,373,400	22,426,400	19,432,900	20,383,100
PVA Personnel Hiring Program	2,018,500	1,579,100	1,641,500	2,079,100	2,141,500
PVA Operational Expenses	30,000	30,000	30,000	30,000	30,000
TOTAL EXPENDITURES	<u>20,002,800</u>	<u>22,982,500</u>	<u>24,097,900</u>	<u>21,542,000</u>	<u>22,554,600</u>

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff is responsible for locating, identifying and assessing at fair market value all taxable real (land and improvements), tangible personal, and intangible personal property in the county. The Revenue Cabinet is responsible for the supervision and coordination of this program. Substantial portions of KRS 132 and 133 cover the duties of the PVAs and their offices.

Policy

Additional General Funds in the amount of \$608,000 in fiscal year 1997 and \$632,500 in fiscal year 1998 is provided for salary equity. The salary equity will increase PVA salaries to the mid-point of the next higher grade level.

TOURISM DEVELOPMENT

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	44,304,900	66,823,400	76,479,100	57,351,000	54,828,600
Surplus Plan	6,480,000				
Total General Fund	<u>50,784,900</u>	<u>66,823,400</u>	<u>76,479,100</u>	<u>57,351,000</u>	<u>54,828,600</u>
Restricted Agency Funds					
Balance Forward	11,644,000	11,117,900	12,268,000	11,278,700	13,694,700
Current Receipts	85,423,300	84,669,800	89,041,900	84,669,800	89,041,100
Non-Revenue Receipts	5,680,100	1,202,500	1,291,200	1,202,500	1,291,200
Total Restricted Agency Funds	<u>102,747,400</u>	<u>96,990,200</u>	<u>102,601,100</u>	<u>97,151,000</u>	<u>104,027,000</u>
Federal Funds					
Balance Forward	35,000			1,300	1,300
Current Receipts	673,400	6,426,400	6,701,600	6,426,400	6,701,600
Total Federal Funds	<u>708,400</u>	<u>6,426,400</u>	<u>6,701,600</u>	<u>6,427,700</u>	<u>6,702,900</u>
TOTAL FUNDS	<u>154,240,700</u>	<u>170,240,000</u>	<u>185,781,800</u>	<u>160,929,700</u>	<u>165,558,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	74,640,100	80,000,700	84,611,200	78,466,100	81,670,900
Operating Expenses	41,238,700	42,947,700	44,393,100	41,472,500	42,771,800
Grants, Loans or Benefits	2,430,300	2,806,700	2,855,500	2,505,300	2,525,300
Debt Service	21,735,000	25,305,000	35,280,000	21,953,000	21,150,000
Capital Outlay	2,916,600	6,911,900	5,835,300	2,836,800	2,487,200
TOTAL EXPENDITURES	<u>142,960,700</u>	<u>157,972,000</u>	<u>172,975,100</u>	<u>147,233,700</u>	<u>150,605,200</u>
EXPENDITURES BY UNIT					
Secretary	1,258,100	1,270,700	1,269,700	1,223,900	1,288,900
Breaks Interstate Park	170,000	170,000	170,000	170,000	170,000
Travel Development	6,220,200	7,858,500	8,213,300	6,292,000	6,384,100
Parks	71,692,100	82,310,100	95,141,800	74,021,200	75,885,900
Kentucky Horse Park	6,414,000	6,809,900	7,057,600	6,647,700	6,866,000
Kentucky State Fair Board	31,718,100	34,254,900	34,972,800	33,668,500	33,980,500
Fish and Wildlife Resources	25,488,200	25,297,900	26,149,900	25,210,400	26,029,800
TOTAL EXPENDITURES	<u>142,960,700</u>	<u>157,972,000</u>	<u>172,975,100</u>	<u>147,233,700</u>	<u>150,605,200</u>

The Tourism Development Cabinet was established by KRS 148.522 to facilitate efficiency and improved administration by the Commonwealth in promoting the tourism industry in Kentucky. Estimates project tourism spending in excess of \$7.1 billion annually, making tourism Kentucky's thirdlargest industry. The tourism industry, Kentucky's secondlargest private employer, provides employment for approximately 147,000 Kentuckians. In addition, tourism related industries and businesses generate approximately \$700 million of state and local tax revenues in the Commonwealth.

TOURISM DEVELOPMENT
Secretary

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,189,100	1,270,700	1,269,700	1,223,900	1,288,900
Federal Funds					
Balance Forward	18,400				
Current Receipts	50,600				
Total Federal Funds	69,000				
TOTAL FUNDS	1,258,100	1,270,700	1,269,700	1,223,900	1,288,900
EXPENDITURES BY CLASS					
Personnel Costs	867,800	823,800	861,500	797,000	836,300
Operating Expenses	188,600	210,800	206,500	175,200	180,600
Grants, Loans or Benefits	200,000	200,000	200,000	250,000	270,000
Capital Outlay	1,700	36,100	1,700	1,700	2,000
TOTAL EXPENDITURES	1,258,100	1,270,700	1,269,700	1,223,900	1,288,900
EXPENDITURES BY UNIT					
Secretary	837,500	928,100	915,700	845,100	892,900
Administrative Services	201,400			209,100	219,000
Film Promotion	219,200	342,600	354,000	169,700	177,000
TOTAL EXPENDITURES	1,258,100	1,270,700	1,269,700	1,223,900	1,288,900

The Office of the Secretary of the Tourism Development Cabinet coordinates efforts for improved management and effective service among the various agencies within the Cabinet.

The Executive Policy and Management program provides the central coordination and administrative direction for the overall planning and management of the agencies within the Cabinet. This program is responsible for developing plans to assure orderly growth and improved management, to recommend executive actions and legislative measures, and to evaluate agency budget requests.

The Administrative Services program oversees accounting, budgetary, and personnel functions, as well as providing support services, including purchasing controls and property management, to other Cabinet agencies.

The Film Office markets and promotes our state to the film industries in order to attract television and feature movie productions to Kentucky.

Funding of \$220,000 is provided in each year of the biennium for the Outdoor Drama Grants.

Additional funding of \$30,000 is included in fiscal year 1997 for restoration of the Governor Owsley House in Garrard County.

Additional funding of \$50,000 is included in fiscal year 1998 for an International Folk Dance Festival in Mt. Sterling.

TOURISM DEVELOPMENT
Breaks Interstate Park

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	170,000	170,000	170,000	170,000	170,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	170,000	170,000	170,000	170,000	170,000

This program provides funds for the maintenance and operation of the Breaks Interstate Park to preserve and protect the scenic and natural values of the Park for the benefit of present and future generations. The Park, created by KRS 148.220 in 1954 by joint action of the Kentucky and Virginia legislatures, is governed by the Breaks Interstate Park Commission which is composed of three members from each state appointed by the respective governors. Kentucky provides financial support for the Park in the form of a grant to the Commission.

The Park, which contains 4,500 acres of woodlands, mountains, and the largest canyon east of the Mississippi River, attracts approximately 370,000 visitors each year. Breaks Interstate Park provides recreation for the people of Kentucky and Virginia in an area where recreational opportunities are limited.

TOURISM DEVELOPMENT
Travel Development

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,188,200	7,855,000	8,209,800	6,272,900	6,375,100
Restricted Agency Funds					
Balance Forward	8,100	10,100	15,600	10,100	
Current Receipts	9,000	9,000	9,000	9,000	9,000
Total Restricted Agency Funds	17,100	19,100	24,600	19,100	9,000
Federal Funds					
Current Receipts	25,000				
TOTAL FUNDS	6,230,300	7,874,100	8,234,400	6,292,000	6,384,100
EXPENDITURES BY CLASS					
Personnel Costs	3,986,600	4,763,300	5,260,200	4,077,000	4,169,000
Operating Expenses	1,399,800	1,857,700	1,899,300	1,381,300	1,381,300
Grants, Loans or Benefits	830,000	1,050,000	1,050,000	830,000	830,000
Capital Outlay	3,800	187,500	3,800	3,700	3,800
TOTAL EXPENDITURES	6,220,200	7,858,500	8,213,300	6,292,000	6,384,100
EXPENDITURES BY UNIT					
Executive Policy and Management	337,600	411,800	381,800	330,900	343,400
Tourism Services	1,576,000	1,923,500	1,911,400	1,643,600	1,691,000
Marketing and Advertising	4,306,600	5,523,200	5,920,100	4,317,500	4,349,700
TOTAL EXPENDITURES	6,220,200	7,858,500	8,213,300	6,292,000	6,384,100

The Department of Travel Development was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

TOURISM DEVELOPMENT
Travel Development
Executive Policy and Management

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	337,600	411,800	381,800	330,900	343,400
EXPENDITURES BY CLASS					
Personnel Costs	270,600	301,000	314,800	263,900	276,400
Operating Expenses	67,000	78,500	67,000	67,000	67,000
Capital Outlay		32,300			
TOTAL EXPENDITURES	337,600	411,800	381,800	330,900	343,400

The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

TOURISM DEVELOPMENT
Travel Development
Tourism Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,551,000	1,923,500	1,911,400	1,643,600	1,691,000
Federal Funds					
Current Receipts	25,000				
TOTAL FUNDS	<u>1,576,000</u>	<u>1,923,500</u>	<u>1,911,400</u>	<u>1,643,600</u>	<u>1,691,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	965,000	1,074,000	1,129,400	1,047,700	1,095,000
Operating Expenses	577,200	745,500	728,200	562,200	562,200
Grants, Loans or Benefits	30,000	50,000	50,000	30,000	30,000
Capital Outlay	3,800	54,000	3,800	3,700	3,800
TOTAL EXPENDITURES	<u>1,576,000</u>	<u>1,923,500</u>	<u>1,911,400</u>	<u>1,643,600</u>	<u>1,691,000</u>

The Tourism Services Division operates highway welcome centers in Florence, Franklin, Grayson, Hopkinsville, Paducah, Shepherdsville, and Williamsburg; generates sales revenue to Kentucky's tourism industry through trade show participation and pursuit of group, commercial, and individual markets; and disseminates tourism information to tourists and potential visitors via a telephone system, direct mail, and the highway welcome centers.

The goal of the Tourism Services Division is to conduct a comprehensive travel promotion campaign and to serve Kentucky's private sector tourism industry.

Funding of \$30,000 is provided in each year of the biennium to fund a 50 percent cash match from local and/or regional entities for international tourism activity including trade missions, advertising, and multilingual brochure translations.

TOURISM DEVELOPMENT
Travel Development
Marketing and Advertising

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,299,600	5,519,700	5,916,600	4,298,400	4,340,700
Restricted Agency Funds					
Balance Forward	8,100	10,100	15,600	10,100	
Current Receipts	9,000	9,000	9,000	9,000	9,000
Total Restricted Agency Funds	17,100	19,100	24,600	19,100	9,000
TOTAL FUNDS	4,316,700	5,538,800	5,941,200	4,317,500	4,349,700
EXPENDITURES BY CLASS					
Personnel Costs	2,751,000	3,388,300	3,816,000	2,765,400	2,797,600
Operating Expenses	755,600	1,033,700	1,104,100	752,100	752,100
Grants, Loans or Benefits	800,000	1,000,000	1,000,000	800,000	800,000
Capital Outlay		101,200			
TOTAL EXPENDITURES	4,306,600	5,523,200	5,920,100	4,317,500	4,349,700

The Marketing and Advertising Division develops and coordinates state tourism advertising and tourism media placement; coordinates and produces tourism brochures and sales promotion materials; assists nonprofit private sector groups with advertising and promotion costs through matching funds and cooperative advertising programs; and develops and maintains a marketing and research data base on Kentucky's tourism industry.

The goal of this program is to develop, coordinate, and maintain a comprehensive advertising campaign to promote Kentucky as a tourism destination.

Included is \$2,091,000 in each year of the biennium for a comprehensive advertising program contract. Also included is \$800,000 in each year of the biennium for the matching funds advertising program to be used for regional cooperative advertising campaigns.

Funds are provided in each year of the biennium to match Transportation Cabinet funds to reimburse the Mississippi River Parkway Commission for expenses (KRS 176.500).

**TOURISM DEVELOPMENT
Parks**

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,331,700	42,701,900	51,749,100	35,149,200	32,493,900
Surplus Plan	6,480,000				
Total General Fund	29,811,700	42,701,900	51,749,100	35,149,200	32,493,900
Restricted Agency Funds					
Balance Forward	1,575,500	1,268,800	1,263,800	1,268,800	2,000,000
Current Receipts	41,560,600	39,603,200	43,392,800	39,603,200	43,392,000
Total Restricted Agency Funds	43,136,100	40,872,000	44,656,600	40,872,000	45,392,000
Federal Funds					
Balance Forward	14,400			1,300	1,300
TOTAL FUNDS	72,962,200	83,573,900	96,405,700	76,022,500	77,887,200
EXPENDITURES BY CLASS					
Personnel Costs	37,510,000	40,709,000	43,194,900	40,039,400	41,653,000
Operating Expenses	23,953,100	24,826,100	25,996,900	24,000,600	25,174,900
Grants, Loans or Benefits		100,000	100,000	25,000	25,000
Debt Service	9,455,000	12,025,000	21,986,000	8,844,000	8,258,000
Capital Outlay	774,000	4,650,000	3,864,000	1,112,200	775,000
TOTAL EXPENDITURES	71,692,100	82,310,100	95,141,800	74,021,200	75,885,900
EXPENDITURES BY UNIT					
General Administration and Support	8,212,000	9,289,000	9,475,100	8,493,500	8,814,800
Resort Parks	42,337,000	47,014,700	49,128,000	44,529,600	46,253,700
Recreation Parks and Historic Sites	10,730,000	12,995,300	13,518,500	11,244,600	11,579,800
Cafeterias	958,100	986,100	1,034,200	909,500	979,600
Debt Service	9,455,000	12,025,000	21,986,000	8,844,000	8,258,000
TOTAL EXPENDITURES	71,692,100	82,310,100	95,141,800	74,021,200	75,885,900

The Department of Parks administers and operates the Kentucky State Park System under the authority of KRS 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The activities of the Department include the operation and maintenance of 15 resort parks, 24 recreational parks, ten historic sites, and two Frankfort cafeterias. Dale Hollow State Park will become the 16th resort park after completion of the new lodge in fiscal year 1997.

The estimated restricted fund expenditures reflect a \$1,166,000 decrease and the estimated restricted fund receipts reflect a \$1,526,000 decrease in fiscal year 1996 versus the enacted 1994-96 Budget of the Commonwealth. These adjustments have been made to reflect the reduced business activity anticipated as a result of the ongoing renovation of the facilities in the Parks system. The regular General Fund appropriation has been increased for this biennial period to compensate for the temporary displacement of restricted fund revenues.

TOURISM DEVELOPMENT
Parks
General Administration and Support

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,012,000	9,089,000	9,275,100	8,293,500	8,614,800
Restricted Agency Funds					
Current Receipts	200,000	200,000	200,000	200,000	200,000
TOTAL FUNDS	<u>8,212,000</u>	<u>9,289,000</u>	<u>9,475,100</u>	<u>8,493,500</u>	<u>8,814,800</u>
EXPENDITURES BY CLASS					
Personnel Costs	6,701,700	7,212,700	7,633,200	6,941,800	7,247,900
Operating Expenses	1,460,300	1,727,700	1,691,900	1,476,700	1,491,900
Grants, Loans or Benefits		100,000	100,000	25,000	25,000
Capital Outlay	50,000	248,600	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>8,212,000</u>	<u>9,289,000</u>	<u>9,475,100</u>	<u>8,493,500</u>	<u>8,814,800</u>

The General Administration and Support program provides an organizational and administrative system which ensures that the park system's 51 operations are maintained and operated in an efficient manner.

Additional funding of \$25,000 is included in fiscal year 1997 to provide a grant to Morehead State University for a marketing study regarding the feasibility of a new lodge at Cave Run Lake in Rowan County.

Additional funding of \$25,000 is included in fiscal year 1998 as a grant for further development of the Paintsville Lake Homeplace project in Johnson County.

TOURISM DEVELOPMENT
Parks
Resort Parks

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,219,700	14,587,500	13,298,700	13,114,400	10,424,700
Restricted Agency Funds					
Balance Forward	1,243,700	588,000	588,000	588,000	1,600,000
Current Receipts	34,461,600	32,427,200	35,829,300	32,427,200	35,829,000
Total Restricted Agency Funds	35,705,300	33,015,200	36,417,300	33,015,200	37,429,000
TOTAL FUNDS	42,925,000	47,602,700	49,716,000	46,129,600	47,853,700
EXPENDITURES BY CLASS					
Personnel Costs	23,658,000	25,552,300	27,008,500	25,545,700	26,592,200
Operating Expenses	18,179,000	18,499,200	19,530,500	18,146,700	19,161,500
Capital Outlay	500,000	2,963,200	2,589,000	837,200	500,000
TOTAL EXPENDITURES	42,337,000	47,014,700	49,128,000	44,529,600	46,253,700

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 15 resort parks. The resort parks and their locations are:

Barren River Resort Park- Barren County	Kentucky Dam Village Resort- Marshall County
Buckhorn Lake Resort Park- Perry County	Lake Barkley Resort Park- Trigg County
Carter Caves Resort Park- Carter County	Lake Cumberland Resort Park- Russell County
Cumberland Falls Resort Park- Whitley County	Natural Bridge Resort Park- Powell County
General Butler Resort Park- Carroll County	Pennyrile Forest Resort Park- Christian County
Greenbo Lake Resort Park- Greenup County	Pine Mountain Resort Park- Bell County
Jenny Wiley Resort Park- Floyd County	Rough River Resort Park- Grayson County
Kenlake Resort Park- Marshall County	

It is projected that in fiscal year 1997 the resort parks will provide overnight accommodations for 590,000 guests and serve 1.6 million meals.

Additional funding of \$694,500 is included in fiscal year 1997 and \$879,500 in fiscal year 1998 for operating costs and staffing (24 permanent, full-time/19 seasonal) of Dale Hollow Lodge.

Policy

Additional funding of \$534,500 is included in fiscal year 1997 and \$152,000 in fiscal year 1998 to upgrade and expand business technology and install a computerized reservation system in the Resort Parks.

TOURISM DEVELOPMENT

Parks

Recreation Parks and Historic Sites

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,503,000	6,544,300	6,755,100	4,524,800	4,816,800
Surplus Plan	260,000				
Total General Fund	<u>4,763,000</u>	<u>6,544,300</u>	<u>6,755,100</u>	<u>4,524,800</u>	<u>4,816,800</u>
Restricted Agency Funds					
Balance Forward	304,700	668,800	668,800	668,800	400,000
Current Receipts	6,318,000	6,451,000	6,763,500	6,451,000	6,763,000
Total Restricted Agency Funds	<u>6,622,700</u>	<u>7,119,800</u>	<u>7,432,300</u>	<u>7,119,800</u>	<u>7,163,000</u>
Federal Funds					
Balance Forward	14,400			1,300	1,300
TOTAL FUNDS	<u>11,400,100</u>	<u>13,664,100</u>	<u>14,187,400</u>	<u>11,645,900</u>	<u>11,981,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	6,649,800	7,412,000	8,000,200	7,073,400	7,314,500
Operating Expenses	3,856,200	4,154,500	4,293,300	3,946,200	4,040,300
Capital Outlay	224,000	1,428,800	1,225,000	225,000	225,000
TOTAL EXPENDITURES	<u>10,730,000</u>	<u>12,995,300</u>	<u>13,518,500</u>	<u>11,244,600</u>	<u>11,579,800</u>

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines. In fiscal year 1997, the camping areas will attract approximately 330,000 visitors and museum visitation should approach 300,000.

Additional funding of \$39,300 is included in fiscal year 1997 and \$58,400 in fiscal year 1998 for operating costs and staffing (one permanent, full-time/seven seasonal) of the Kentucky River Museum at Boonesborough.

Park Facilities

Ben Hawes State Park - Daviess County
 Big Bone Lick State Park - Boone County
 Blue Licks Battlefield State Park - Robertson County
 Carr Creek State Park - Knott County
 Columbus-Belmont Battlefield State Park - Hickman County
 Dale Hollow Lake State Park - Cumberland and Clinton Counties
 E. P. "Tom" Sawyer State Park - Jefferson County
 Fort Boonesborough State Park - Madison County
 General Burnside State Park - Pulaski County
 Grayson Lake State Park - Elliott and Carter Counties
 Green River Lake State Park - Taylor County
 John James Audubon State Park - Henderson County
 Kincaid Lake State Park - Pendleton County
 Kingdom Come State Park - Harlan County
 Lake Malone State Park - Muhlenberg County
 Levi Jackson Wilderness Road State Park - Laurel County
 Lincoln Homestead State Park - Washington County
 Mineral Mound State Park - Lyon County
 My Old Kentucky Home State Park - Nelson County
 Nolin Lake State Park - Edmonson County
 Old Fort Harrod State Park - Mercer County
 Paintsville Lake State Park - Johnson County

Taylorsville Lake State Park - Spencer County
 Yatesville Lake State Park - Lawrence County

Historic Sites

Boone Station - Fayette County
 Constitution Square State Shrine - Boyle County
 Dr. Thomas Walker State Shrine - Knox County
 Isaac Shelby State Shrine - Lincoln County
 Jefferson Davis Monument State Shrine - Todd County
 Old Mulkey Meeting House State Shrine - Monroe County
 Perryville Battlefield State Shrine - Boyle County
 Waveland State Shrine - Fayette County
 White Hall State Shrine - Madison County
 William Whitley House State Shrine - Lincoln County

TOURISM DEVELOPMENT
Parks
Cafeterias

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	362,000	456,100	434,200	372,500	379,600
Restricted Agency Funds					
Balance Forward	27,100	12,000	7,000	12,000	
Current Receipts	581,000	525,000	600,000	525,000	600,000
Total Restricted Agency Funds	608,100	537,000	607,000	537,000	600,000
TOTAL FUNDS	970,100	993,100	1,041,200	909,500	979,600
EXPENDITURES BY CLASS					
Personnel Costs	500,500	532,000	553,000	478,500	498,400
Operating Expenses	457,600	444,700	481,200	431,000	481,200
Capital Outlay		9,400			
TOTAL EXPENDITURES	958,100	986,100	1,034,200	909,500	979,600

The Cafeteria program provides food service in the State Office Building and Capitol Annex for legislative members, state employees, and visitors to the state offices in the Frankfort area. The cafeterias should serve approximately 275,000 meals in fiscal year 1997 and should generate sales of approximately \$525,000.

TOURISM DEVELOPMENT
Parks
Debt Service

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,235,000	12,025,000	21,986,000	8,844,000	8,258,000
Surplus Plan	6,220,000				
TOTAL FUNDS	<u>9,455,000</u>	<u>12,025,000</u>	<u>21,986,000</u>	<u>8,844,000</u>	<u>8,258,000</u>
EXPENDITURES BY CLASS					
Debt Service	9,455,000	12,025,000	21,986,000	8,844,000	8,258,000
EXPENDITURES BY UNIT					
Project 48	173,000				
Project 49	175,000				
Project 50	448,000				
Project 51	273,000				
Project 52	179,000				
Project 53	673,000			678,000	678,000
Project 54	177,000			177,000	177,000
Project 55	1,084,000			1,095,000	1,095,000
Project 59	6,273,000			6,894,000	6,308,000
TOTAL EXPENDITURES	<u>9,455,000</u>			<u>8,844,000</u>	<u>8,258,000</u>

The Department of Parks has outstanding debt service obligations for revenue bonds issued for Projects 53, 54, 55, and 59. Project 59 provided \$63.7 million to fund 50 renovation projects and refinanced Projects 48, 49, 50, 51, and 52.

TOURISM DEVELOPMENT
Kentucky Horse Park

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,466,000	2,859,900	3,102,600	2,740,000	2,924,700
Restricted Agency Funds					
Balance Forward	187,400	175,000	200,000	175,000	242,300
Current Receipts	3,916,000	3,955,000	3,985,000	3,955,000	3,985,000
Non-Revenue Receipts	19,600	20,000	20,000	20,000	20,000
Total Restricted Agency Funds	<u>4,123,000</u>	<u>4,150,000</u>	<u>4,205,000</u>	<u>4,150,000</u>	<u>4,247,300</u>
TOTAL FUNDS	<u>6,589,000</u>	<u>7,009,900</u>	<u>7,307,600</u>	<u>6,890,000</u>	<u>7,172,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	3,073,000	3,249,800	3,411,100	3,249,800	3,405,500
Operating Expenses	1,950,000	2,007,600	2,074,000	2,007,600	2,067,000
Debt Service	1,356,000	1,350,000	1,352,000	1,350,000	1,352,000
Capital Outlay	35,000	202,500	220,500	40,300	41,500
TOTAL EXPENDITURES	<u>6,414,000</u>	<u>6,809,900</u>	<u>7,057,600</u>	<u>6,647,700</u>	<u>6,866,000</u>
EXPENDITURES BY UNIT					
Administration	5,058,000	5,459,900	5,705,600	5,297,700	5,514,000
Debt Service	1,356,000	1,350,000	1,352,000	1,350,000	1,352,000
TOTAL EXPENDITURES	<u>6,414,000</u>	<u>6,809,900</u>	<u>7,057,600</u>	<u>6,647,700</u>	<u>6,866,000</u>

The 1,032-acre Kentucky Horse Park is a recreational and educational park featuring an exclusive movie, a walking farm tour with a farrier shop and a harness shop, a parade of breeds show, horse-drawn tours, the International Museum of the Horse, and the American Saddlebred Museum. Other attractions include: the Man O'War Memorial, Hall of Champions, Secretariat Memorial, a gift shop, an art gallery, two food service facilities, and horseback riding. Other facilities include a 260-site campground with a grocery, souvenir shop, pool, croquet, tennis, and basketball courts; 826 stalls for horse shows and some of the finest equine eventing facilities in the world, including a covered arena, six polo fields, show rings, and a steeplechase course.

The purpose of the Kentucky Horse Park is to be the world's definitive equestrian educational facility dedicated to all breeds of horses; to provide show facilities capable of hosting national and international equestrian competitions in many disciplines; and to provide a positive impact on both the local and state economies by establishing itself as a nationally recognized tourist attraction.

The Horse Park provides recreational and educational activities for over 700,000 visitors a year through its regular activities and special events. In addition, the Park serves as an educational facility for approximately 20,000 student visitors from the Commonwealth.

Debt service for Projects 53, 54, and 55 is included in each year of the 1996-98 biennium.

TOURISM DEVELOPMENT
Kentucky State Fair Board

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,959,900	11,965,900	11,977,900	11,795,000	11,576,000
Restricted Agency Funds					
Balance Forward	2,917,800	3,267,800	3,263,900	3,257,800	3,669,400
Current Receipts	19,937,700	21,102,600	21,655,100	21,102,600	21,655,100
Non-Revenue Receipts	1,160,500	1,182,500	1,271,200	1,182,500	1,271,200
Total Restricted Agency Funds	<u>24,016,000</u>	<u>25,552,900</u>	<u>26,190,200</u>	<u>25,542,900</u>	<u>26,595,700</u>
TOTAL FUNDS	<u>34,975,900</u>	<u>37,518,800</u>	<u>38,168,100</u>	<u>37,337,900</u>	<u>38,171,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	11,153,700	11,732,000	12,311,500	11,623,600	12,125,400
Operating Expenses	8,211,500	9,015,800	9,173,900	8,922,100	8,955,300
Grants, Loans or Benefits	1,228,900	1,285,300	1,334,100	1,228,900	1,228,900
Debt Service	10,924,000	11,930,000	11,942,000	11,759,000	11,540,000
Capital Outlay	200,000	291,800	211,300	134,900	130,900
TOTAL EXPENDITURES	<u>31,718,100</u>	<u>34,254,900</u>	<u>34,972,800</u>	<u>33,668,500</u>	<u>33,980,500</u>
EXPENDITURES BY UNIT					
Kentucky Fair and Exposition Center	18,447,500	19,911,600	20,530,700	19,492,100	19,938,000
Commonwealth Convention Center	2,346,600	2,413,300	2,500,100	2,417,400	2,502,500
Debt Service	10,924,000	11,930,000	11,942,000	11,759,000	11,540,000
TOTAL EXPENDITURES	<u>31,718,100</u>	<u>34,254,900</u>	<u>34,972,800</u>	<u>33,668,500</u>	<u>33,980,500</u>

The Kentucky State Fair Board is composed of 15 members: the Governor, the Commissioner of Agriculture, the Dean of the College of Agriculture at the University of Kentucky, and 12 members appointed by the Governor. Five of the 12 members appointed by the Governor are selected from nominations from the Kentucky Association of Fairs and Horse Shows, the Kentucky Livestock Improvements Association, the Kentucky State National Farmers Organization, the American Saddle Horse Breeders Association, and the Kentucky Farm Bureau Federation. The Board has control and custody of the funds, buildings, grounds, and equipment of the Kentucky Fair and Exposition Center and the Commonwealth Convention Center in Louisville, as outlined in KRS 247. A president is appointed by the Board to manage the Centers.

The total restricted agency funds reflect the net proceeds after the budgeted transfer of \$1.7 million in fiscal year 1996; the appropriation and transfer of \$1.7 million in fiscal year 1997; and the appropriation and transfer of \$1.5 million in fiscal year 1998 to the Capital Construction Fund for various maintenance projects.

TOURISM DEVELOPMENT
Kentucky State Fair Board
Kentucky Fair and Exposition Center

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	406,900	406,900	406,900	407,000	407,000
Restricted Agency Funds					
Balance Forward	2,598,000	2,812,700	2,592,600	2,802,700	3,002,200
Current Receipts	17,512,500	18,529,800	19,155,300	18,529,800	19,155,300
Non-Revenue Receipts	732,800	754,800	837,600	754,800	837,600
Total Restricted Agency Funds	<u>20,843,300</u>	<u>22,097,300</u>	<u>22,585,500</u>	<u>22,087,300</u>	<u>22,995,100</u>
TOTAL FUNDS	<u>21,250,200</u>	<u>22,504,200</u>	<u>22,992,400</u>	<u>22,494,300</u>	<u>23,402,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	9,722,100	10,226,300	10,728,000	10,113,800	10,539,500
Operating Expenses	7,332,500	8,108,200	8,257,300	8,014,500	8,038,700
Grants, Loans or Benefits	1,228,900	1,285,300	1,334,100	1,228,900	1,228,900
Capital Outlay	164,000	291,800	211,300	134,900	130,900
TOTAL EXPENDITURES	<u>18,447,500</u>	<u>19,911,600</u>	<u>20,530,700</u>	<u>19,492,100</u>	<u>19,938,000</u>

The Kentucky Fair and Exposition Center provides both facilities and services for various conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions on a yearround basis. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Fair and Exposition Center is a completely airconditioned complex that includes one million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the recently expanded South Wing and Conference Center, a smaller exposition Pavilion, a 600-seat amphitheater, a 5,000-seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Fair and Exposition Center are the adjacent Executive Inn East, Executive Inn West, Executive Bowl, and the Kentucky Kingdom Amusement Park, all of which are longterm lessees of the State Fair Board.

The budget includes \$407,000 in General Funds in each year of the biennium for the North American International Livestock Exposition program.

Additional funding of \$270,000 is included in fiscal year 1997 for the Equitana Horse Trade Show.

Additional funding of \$112,000 is included in fiscal year 1997 and \$68,400 in fiscal year 1998 for the implementation of networking and facilities management computerization.

Additional funding of \$100,000 is included in fiscal year 1998 to promote and advertise the expanded Commonwealth's Convention Center which is scheduled for completion in 1998.

**TOURISM DEVELOPMENT
Kentucky State Fair Board
Commonwealth Convention Center**

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	319,800	455,100	671,300	455,100	667,200
Current Receipts	2,425,200	2,572,800	2,499,800	2,572,800	2,499,800
Non-Revenue Receipts	56,700	56,700	62,600	56,700	62,600
TOTAL FUNDS	2,801,700	3,084,600	3,233,700	3,084,600	3,229,600
EXPENDITURES BY CLASS					
Personnel Costs	1,431,600	1,505,700	1,583,500	1,509,800	1,585,900
Operating Expenses	879,000	907,600	916,600	907,600	916,600
Capital Outlay	36,000				
TOTAL EXPENDITURES	2,346,600	2,413,300	2,500,100	2,417,400	2,502,500

The Commonwealth Convention Center provides facilities and services for various intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions on a yearround basis. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprise.

The Commonwealth Convention Center includes 100,000 square feet of exhibit space that can be divided into three separate areas. It also includes 37 meeting rooms holding from 25 to 1,200 people. The Center is served by the Hyatt and Cowger Parking Garages, which provide 1,100 enclosed parking spaces, and by the Hyatt Regency Hotel, which is a long-term lessee of the Board. The Cowger Garage also includes commercial space which is leased on a long-term basis to private enterprise and a government agency.

TOURISM DEVELOPMENT
Kentucky State Fair Board
Debt Service

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,553,000	11,559,000	11,571,000	11,388,000	11,169,000
Restricted Agency Funds					
Non-Revenue Receipts	371,000	371,000	371,000	371,000	371,000
TOTAL FUNDS	<u>10,924,000</u>	<u>11,930,000</u>	<u>11,942,000</u>	<u>11,759,000</u>	<u>11,540,000</u>
EXPENDITURES BY CLASS					
Debt Service	10,924,000	11,930,000	11,942,000	11,759,000	11,540,000
EXPENDITURES BY UNIT					
Project 26	3,200,000			3,202,000	3,205,000
Project 48	698,000				
Project 50	20,000				
Project 54	716,000			716,000	715,000
Project 55	3,915,000			4,919,000	4,929,000
Project 59	2,375,000			2,922,000	2,691,000
TOTAL EXPENDITURES	<u>10,924,000</u>			<u>11,759,000</u>	<u>11,540,000</u>

The Debt Service program is responsible for the annual debt service payments on all outstanding Fair Board bonds issued by the State Property and Buildings Commission for Projects 26, 54, 55, and 59.

Project 26 financed the implementation of the Master Facilities Development Plan at the Kentucky Fair and Exposition Center and the Cowger Parking Garage in downtown Louisville.

Project 54 partially refinanced Project 48 which provided funding for the new South Wing exhibition space adjacent to the East Hall at the Kentucky Fair and Exposition Center.

Project 55 provided funding for an expansion of the new South Wing - Phase II, Access Road Completion, the new Maintenance Building, and the refinancing of Projects 21 and 38.

Project 59 provided the funding for the renovation and expansion of the Commonwealth Convention Center and the refinancing of Projects 48 and 50.

TOURISM DEVELOPMENT
Fish and Wildlife Resources

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	6,955,200	6,396,200	7,524,700	6,567,000	7,783,000
Current Receipts	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Non-Revenue Receipts	4,500,000				
Total Restricted Agency Funds	31,455,200	26,396,200	27,524,700	26,567,000	27,783,000
Federal Funds					
Balance Forward	2,200				
Current Receipts	597,800	6,426,400	6,701,600	6,426,400	6,701,600
Total Federal Funds	600,000	6,426,400	6,701,600	6,426,400	6,701,600
TOTAL FUNDS	32,055,200	32,822,600	34,226,300	32,993,400	34,484,600
EXPENDITURES BY CLASS					
Personnel Costs	18,049,000	18,722,800	19,572,000	18,679,300	19,481,700
Operating Expenses	5,535,700	5,029,700	5,042,500	4,985,700	5,012,700
Grants, Loans or Benefits	1,400	1,400	1,400	1,400	1,400
Capital Outlay	1,902,100	1,544,000	1,534,000	1,544,000	1,534,000
TOTAL EXPENDITURES	25,488,200	25,297,900	26,149,900	25,210,400	26,029,800
EXPENDITURES BY UNIT					
Administration and Support	3,080,900	3,268,400	3,340,400	3,242,500	3,321,600
Wildlife Management	5,244,300	5,189,400	5,356,300	5,134,300	5,278,200
Fisheries Management	3,691,300	3,600,100	3,721,900	3,615,700	3,726,200
Information and Education	3,999,400	3,695,400	3,797,300	3,612,800	3,716,600
Law Enforcement	6,901,000	7,013,700	7,305,100	7,074,200	7,358,300
Water Patrol	2,571,300	2,530,900	2,628,900	2,530,900	2,628,900
TOTAL EXPENDITURES	25,488,200	25,297,900	26,149,900	25,210,400	26,029,800

The Department of Fish and Wildlife Resources, as established by KRS 150, is responsible for the protection and improvement of fish and wildlife resources in Kentucky. The Department is headed by a Commissioner appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of five candidates provided by sportsmen's organizations in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, miscellaneous licenses, federal grants, interest income, and fines and penalties assessed by the courts for violation of game and fish laws.

Currently, the Department owns approximately 104,000 acres of land in Kentucky which are used to further its program activities. This acreage includes the State Game Farm, 53 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 1,000,000 acres of land and water are under lease or license by the Department for wildlife management activities.

The above data do not include any financial data for the \$7,234,800 brought forward in fiscal year 1996 for the Federal Clearing Account (off-budget).

TOURISM DEVELOPMENT
Fish and Wildlife Resources
General Administration and Support

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	555,000	474,100	705,700	474,100	731,600
Current Receipts	2,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Non-Revenue Receipts	500,000				
TOTAL FUNDS	3,555,000	3,974,100	4,205,700	3,974,100	4,231,600
EXPENDITURES BY CLASS					
Personnel Costs	1,953,700	2,261,000	2,333,000	2,235,100	2,314,200
Operating Expenses	1,036,000	954,900	954,900	954,900	954,900
Capital Outlay	91,200	52,500	52,500	52,500	52,500
TOTAL EXPENDITURES	3,080,900	3,268,400	3,340,400	3,242,500	3,321,600

This program provides guidance for efficient operation of the Department by implementing policy and proper purchasing procedures, and maintaining financial records.

The Public Affairs Division is responsible for facilitating public involvement in departmental policy and regulations. Administrative Services maintains accounting records, ensures that proper purchasing and inventory procedures are followed, and distributes licenses to county clerks. The Engineering Division provides the labor and technical engineering services required for the Department's small construction projects. Duties include building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department.

TOURISM DEVELOPMENT
Fish and Wildlife Resources
Wildlife Management

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	805,400	561,100	891,700	561,100	946,800
Current Receipts	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Non-Revenue Receipts	2,000,000				
Total Restricted Agency Funds	5,805,400	3,561,100	3,891,700	3,561,100	3,946,800
Federal Funds					
Current Receipts		2,520,000	2,620,000	2,520,000	2,620,000
TOTAL FUNDS	5,805,400	6,081,100	6,511,700	6,081,100	6,566,800
EXPENDITURES BY CLASS					
Personnel Costs	3,483,100	3,595,600	3,749,700	3,540,500	3,671,600
Operating Expenses	1,265,700	1,098,300	1,111,100	1,098,300	1,111,100
Grants, Loans or Benefits	1,400	1,400	1,400	1,400	1,400
Capital Outlay	494,100	494,100	494,100	494,100	494,100
TOTAL EXPENDITURES	5,244,300	5,189,400	5,356,300	5,134,300	5,278,200

The Wildlife Management program manages, develops, and maintains statewide game and nongame populations consistent with habitat capacity on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and nongame wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources.

TOURISM DEVELOPMENT
Fish and Wildlife Resources
Fisheries Management

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	488,800	797,500	767,500	797,500	751,900
Current Receipts	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Restricted Agency Funds	<u>4,488,800</u>	<u>1,797,500</u>	<u>1,767,500</u>	<u>1,797,500</u>	<u>1,751,900</u>
Federal Funds					
Current Receipts		2,570,100	2,698,500	2,570,100	2,698,500
TOTAL FUNDS	<u>4,488,800</u>	<u>4,367,600</u>	<u>4,466,000</u>	<u>4,367,600</u>	<u>4,450,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	2,710,600	2,619,400	2,741,200	2,635,000	2,745,500
Operating Expenses	816,800	816,800	816,800	816,800	816,800
Capital Outlay	163,900	163,900	163,900	163,900	163,900
TOTAL EXPENDITURES	<u>3,691,300</u>	<u>3,600,100</u>	<u>3,721,900</u>	<u>3,615,700</u>	<u>3,726,200</u>

The Fisheries Management program manages Kentucky's fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices.

**TOURISM DEVELOPMENT
Fish and Wildlife Resources
Information and Education**

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	580,200	580,800	821,700	580,800	904,300
Current Receipts	3,500,000	3,000,000	3,500,000	3,000,000	3,500,000
Non-Revenue Receipts	500,000				
Total Restricted Agency Funds	<u>4,580,200</u>	<u>3,580,800</u>	<u>4,321,700</u>	<u>3,580,800</u>	<u>4,404,300</u>
Federal Funds					
Current Receipts		936,300	983,100	936,300	983,100
TOTAL FUNDS	<u>4,580,200</u>	<u>4,517,100</u>	<u>5,304,800</u>	<u>4,517,100</u>	<u>5,387,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	2,369,800	2,336,900	2,448,800	2,298,300	2,397,900
Operating Expenses	1,383,600	1,185,000	1,185,000	1,141,000	1,155,200
Capital Outlay	246,000	173,500	163,500	173,500	163,500
TOTAL EXPENDITURES	<u>3,999,400</u>	<u>3,695,400</u>	<u>3,797,300</u>	<u>3,612,800</u>	<u>3,716,600</u>

The objective of the Information and Education program is to teach Kentuckians to safely enjoy the recreational opportunities provided by fish and wildlife resources and to create an appreciation and understanding of the need to conserve these resources.

Conservation Education leaders teach approximately 1,200 classes each month for seven months of the school year involving some 95,000 students in the fifth and sixth grades. In addition, they also conduct a conservation camp program during the summer for up to 6,500 students at Camp John Currie, Benton; Camp Earl Wallace, Monticello; and Camp Robert Webb, Grayson. Hunter training officers conduct hunter education classes throughout the state to certify safe hunters.

The Salato Wildlife Education Center at the Game Farm in Frankfort includes a new facility, native landscaping, and nature trails where visitors can learn to appreciate Kentucky's habitat and restoration efforts for wildlife. The Center is expected to draw 125,000 visitors annually.

The Public Information program is responsible for the publication and distribution of the bimonthly magazine Kentucky Afield, and the production of the weekly Kentucky Afield television program. In addition, this program is responsible for providing information about all Department activities and programs to sportspersons and the general public.

TOURISM DEVELOPMENT
Fish and Wildlife Resources
Law Enforcement

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	1,496,500	1,095,500	1,581,800	1,095,500	1,521,300
Current Receipts	5,000,000	7,500,000	7,000,000	7,500,000	7,000,000
Non-Revenue Receipts	1,500,000				
TOTAL FUNDS	7,996,500	8,595,500	8,581,800	8,595,500	8,521,300
EXPENDITURES BY CLASS					
Personnel Costs	5,569,700	5,845,500	6,136,900	5,906,000	6,190,100
Operating Expenses	725,500	668,200	668,200	668,200	668,200
Capital Outlay	605,800	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	6,901,000	7,013,700	7,305,100	7,074,200	7,358,300

The goal of the Law Enforcement program is to prevent and control violations of the statutes and regulations pertaining to fish and wildlife and to provide assistance to other divisions in the Department.

Conservation officers contact approximately 134,000 resource users, initiate approximately 7,300 prosecutions, issue approximately 1,600 warning notices, and assist approximately 1,500 motorists each year. An officer's average patrol area is 340 square miles.

TOURISM DEVELOPMENT
Fish and Wildlife Resources
Water Patrol

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	3,029,300	2,887,200	2,756,300	3,058,000	2,927,100
Current Receipts	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Restricted Agency Funds	<u>5,029,300</u>	<u>4,887,200</u>	<u>4,756,300</u>	<u>5,058,000</u>	<u>4,927,100</u>
Federal Funds					
Balance Forward	2,200				
Current Receipts	597,800	400,000	400,000	400,000	400,000
Total Federal Funds	<u>600,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
TOTAL FUNDS	<u>5,629,300</u>	<u>5,287,200</u>	<u>5,156,300</u>	<u>5,458,000</u>	<u>5,327,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,962,100	2,064,400	2,162,400	2,064,400	2,162,400
Operating Expenses	308,100	306,500	306,500	306,500	306,500
Capital Outlay	301,100	160,000	160,000	160,000	160,000
TOTAL EXPENDITURES	<u>2,571,300</u>	<u>2,530,900</u>	<u>2,628,900</u>	<u>2,530,900</u>	<u>2,628,900</u>

The Division of Water Patrol, operating under KRS 150 and KRS 235, is responsible for the enforcement of the Commonwealth's boating laws. Its goal is to prevent accidents, deaths, and property losses on the waterways of the Commonwealth through an effective program of education and law enforcement.

The Division of Water Patrol in the Department of Natural Resources was reorganized in fiscal year 1994 by Executive Order 93-1227 out of the Natural Resources and Environmental Protection Cabinet into the Department of Fish and Wildlife Resources in the Tourism Cabinet. The 1994 Regular Session of the General Assembly ratified this Order with Senate Bill 128.

TRANSPORTATION

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,160,200	14,533,600	16,509,300	6,306,500	5,526,300
Surplus Plan	2,000,000				
Continuing Appropriation	3,480,800	3,467,200	3,467,200	3,467,200	3,467,200
Total General Fund	<u>8,641,000</u>	<u>18,000,800</u>	<u>19,976,500</u>	<u>9,773,700</u>	<u>8,993,500</u>
Restricted Agency Funds					
Balance Forward	286,611,200	40,387,800	3,707,400	40,387,700	3,707,300
Current Receipts	19,845,800	16,431,700	10,604,600	16,431,700	10,604,600
Non-Revenue Receipts	17,137,000	18,580,000	19,760,000	19,705,000	20,885,000
Total Restricted Agency Funds	<u>323,594,000</u>	<u>75,399,500</u>	<u>34,072,000</u>	<u>76,524,400</u>	<u>35,196,900</u>
Federal Funds					
Balance Forward	-1,091,400	-1,036,300	-1,036,300	-1,036,300	-1,036,300
Current Receipts	352,363,600	395,652,200	351,740,900	467,012,300	341,708,000
Total Federal Funds	<u>351,272,200</u>	<u>394,615,900</u>	<u>350,704,600</u>	<u>465,976,000</u>	<u>340,671,700</u>
Road Fund					
Regular Appropriation	846,612,700	967,055,300	979,289,700	947,030,400	939,302,000
Surplus Plan	3,400,000				
Special Appropriation	69,173,700				
Reorganization Adjustment	-290,000				
Total Road Fund	<u>918,896,400</u>	<u>967,055,300</u>	<u>979,289,700</u>	<u>947,030,400</u>	<u>939,302,000</u>
TOTAL FUNDS	<u>1,602,403,600</u>	<u>1,455,071,500</u>	<u>1,384,042,800</u>	<u>1,499,304,500</u>	<u>1,324,164,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	256,383,700	269,553,200	280,945,900	266,813,200	276,728,600
Operating Expenses	145,525,200	140,744,100	136,416,400	133,186,800	135,735,400
Grants, Loans or Benefits	110,857,600	123,232,500	128,207,600	116,581,300	117,801,000
Debt Service	159,869,400	161,284,300	152,330,100	161,284,300	152,330,100
Capital Outlay	12,310,100	14,260,100	15,260,100	13,690,600	14,756,500
Construction	874,639,000	739,859,000	666,988,700	801,610,100	622,918,600
TOTAL EXPENDITURES	<u>1,559,585,000</u>	<u>1,448,933,200</u>	<u>1,380,148,800</u>	<u>1,493,166,300</u>	<u>1,320,270,200</u>
EXPENDITURES BY UNIT					
Air Transportation	2,570,300	8,178,600	10,577,300	2,321,400	2,231,600
Revenue Sharing	238,575,300	197,876,200	203,462,500	197,876,200	203,462,500
Rail Transportation	455,700	507,600	509,500	64,600	66,800
Public Transportation	7,768,000	9,493,600	9,070,300	9,073,000	7,382,000
Highways	1,035,077,700	965,041,200	898,876,900	1,024,238,200	852,076,300
Vehicle Regulation	27,221,200	32,067,300	29,047,600	26,431,600	28,774,700

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
Debt Service	159,869,400	161,284,300	152,330,100	161,284,300	152,330,100
General Administration and Support	68,873,700	74,484,400	76,274,600	71,877,000	73,946,200
Judgments	19,173,700				
TOTAL EXPENDITURES	1,559,585,000	1,448,933,200	1,380,148,800	1,493,166,300	1,320,270,200

The Transportation Cabinet had its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. The scope of this original unit was significantly broadened by Executive Orders 72-288 and 73-54 (confirmed by 1974 legislation), which created the Department of Transportation as a consolidation of the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. Pursuant to action by the 1982 General Assembly, the Transportation Cabinet was established as a successor to the Department of Transportation and assumed all of the duties formerly associated with it.

The Transportation Cabinet is responsible for maintaining and improving the delivery of transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public mass transit, and highways. The organization is headed by the Secretary of Transportation, who is appointed by the Governor. The duties and responsibilities of the Cabinet are specified by the Kentucky Revised Statutes, principally in Titles XV and XVI, which deal with roads, waterways, aviation, and motor vehicles.

The Cabinet receives funding from a variety of sources, mainly the state Road Fund, proceeds from bonds issued by the Kentucky Turnpike Authority, and federal aid apportionment's for highways. Other revenue sources are agency receipts, non-highway federal aid, and the state General Fund. The major revenue components of the Road Fund are the motor fuels tax, motor vehicle usage taxes, license and privilege taxes, toll road receipts, interest income, and miscellaneous departmental fees, permits, and sales.

Nine appropriation units comprise the Transportation Cabinet: General Administration and Support, Air Transportation, Rail Transportation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, Debt Service, and Judgments. Organizationally, the agency is divided into five departments and seven offices. The departments, each headed by a commissioner directly responsible to the Secretary, are: Administrative Services, Fiscal Management, Vehicle Regulation, Rural and Municipal Aid, and Highways. The remaining units are the Offices of Public Relations, General Counsel, Environmental Affairs, Personnel Management, Minority Affairs, and Policy and Budget, all of which are responsible to the Office of the Secretary.

Policy

The enacted Road Fund budget approves expenditures from the following fund sources:

	Fiscal Year 1996-97	Fiscal Year 1997-98
Official Road Fund Estimate	\$ 952,212,800	\$ 985,333,800
Non-Revenue Receipts	102,000	102,000
Road Fund Surplus Account	<u>42,991,400</u>	
Total Available Road Funds	\$ 995,306,200	\$ 985,435,800

Road Fund appropriations are provided as follows:

Operating Budget		
Transportation Cabinet	\$ 947,030,400	\$ 939,302,000
Justice Cabinet	40,406,800	40,406,800
Revenue Cabinet	1,352,000	1,352,000
Finance and Administration Cabinet	371,000	371,000
Capital Budget		
Transportation Cabinet	<u>6,146,000</u>	<u>4,004,000</u>
Total Road Fund Appropriations	\$ 995,306,200	\$ 985,435,800

TRANSPORTATION
Air Transportation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,151,300	8,112,600	10,509,700	2,255,400	2,164,000
Continuing Appropriation	2,824,800	2,824,800	2,824,800	2,824,800	2,824,800
Total General Fund	<u>4,976,100</u>	<u>10,937,400</u>	<u>13,334,500</u>	<u>5,080,200</u>	<u>4,988,800</u>
Restricted Agency Funds					
Balance Forward	39,000	39,000	39,000	39,000	39,000
Current Receipts	51,400	51,900	53,300	51,900	53,300
Total Restricted Agency Funds	<u>90,400</u>	<u>90,900</u>	<u>92,300</u>	<u>90,900</u>	<u>92,300</u>
Federal Funds					
Balance Forward	-400	-400	-400	-400	-400
Current Receipts	367,600	14,100	14,300	14,100	14,300
Total Federal Funds	<u>367,200</u>	<u>13,700</u>	<u>13,900</u>	<u>13,700</u>	<u>13,900</u>
TOTAL FUNDS	<u>5,433,700</u>	<u>11,042,000</u>	<u>13,440,700</u>	<u>5,184,800</u>	<u>5,095,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	569,600	597,900	624,600	549,300	576,000
Operating Expenses	149,100	189,500	153,000	189,500	153,000
Grants, Loans or Benefits	1,851,600	7,391,200	9,799,700	1,581,600	1,501,600
Capital Outlay				1,000	1,000
TOTAL EXPENDITURES	<u>2,570,300</u>	<u>8,178,600</u>	<u>10,577,300</u>	<u>2,321,400</u>	<u>2,231,600</u>
EXPENDITURES BY UNIT					
Regulatory	115,500	105,200	109,700	89,700	89,300
Development	2,454,800	8,073,400	10,467,600	2,231,700	2,142,300
TOTAL EXPENDITURES	<u>2,570,300</u>	<u>8,178,600</u>	<u>10,577,300</u>	<u>2,321,400</u>	<u>2,231,600</u>

The Air Transportation program is charged under KRS 183.090(1) to inspect and determine the safety and adequacy of all airport facilities in the state. There are 140 airports and heliports which require the issuance of certificates of approval of licenses for operation. The legislative mandate KRS 183.861 charges the Kentucky Airport Zoning Commission with the protection and safety of the navigable airspace within the state. The program also provides for the development of airports throughout the state with financial grants and administration, implementation, and management of airport construction, maintenance, striping, and flight services.

Policy

Funding is provided in the 1996-98 enacted budget to match federal funds anticipated to be available for which a state share is required. Additional General Funds in the amount of \$80,000 are provided in fiscal year 1997 to perform an airport site study at Morehead.

TRANSPORTATION
Revenue Sharing

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	188,575,300	197,876,200	203,462,500	197,876,200	203,462,500
Special Appropriation	50,000,000				
TOTAL FUNDS	238,575,300	197,876,200	203,462,500	197,876,200	203,462,500
EXPENDITURES BY CLASS					
Personnel Costs	14,629,700	15,367,400	16,096,600	15,367,400	16,096,600
Operating Expenses	30,511,200	27,913,300	27,957,900	27,913,300	27,957,900
Grants, Loans or Benefits	101,125,000	106,223,100	109,236,400	106,223,100	109,236,400
Construction	92,309,400	48,372,400	50,171,600	48,372,400	50,171,600
TOTAL EXPENDITURES	238,575,300	197,876,200	203,462,500	197,876,200	203,462,500
EXPENDITURES BY UNIT					
County Road Aid	71,176,500	74,764,700	76,885,600	74,764,700	76,885,600
Rural Secondary	136,345,300	90,698,100	93,271,100	90,698,100	93,271,100
Municipal Aid	29,948,500	31,458,400	32,350,800	31,458,400	32,350,800
Energy Recovery	1,100,000	950,000	950,000	950,000	950,000
Energy Recovery Co-Op	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	238,575,300	197,876,200	203,462,500	197,876,200	203,462,500

There are four components of the Revenue Sharing Program: County Road Aid, Rural Secondary, Municipal Road Aid, and the Energy Recovery Road Fund. All of these programs are mandated and controlled by statute, with the distribution of funds based on the amount of certain taxes or fees collected.

The County Road Aid Program and the Rural Secondary Program are set up to distribute a portion of the state's motor fuels tax collections to counties. Authorized by KRS 179.410179.430, the County Road Aid Program distributes 18.3 percent of the total motor fuels tax collections, with the funds being sent to the counties monthly. The Rural Secondary Program, authorized by KRS 177.320, provides maintenance on secondary and rural roads and is funded by 22.2 percent of the motor fuels tax collections. This program is administered by the Department of Highways with the funds being expended on behalf of the counties.

Funds for both these programs are allocated through a formula known as the statutory "formula of fifths." Each county receives a portion of the statewide total as follows: one-fifth is divided evenly among all counties, one-fifth is divided proportionately based on the amount of rural population in each county, one-fifth is distributed on the basis of rural road mileage in each county, and two-fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid Program is established under the authority of KRS 177.365 and funding is also a statutory portion (7.7 percent) of the motor fuels tax collections. Distribution is made through a formula based on the population contained in each city or unincorporated urban area of 10,000 or more.

County Fiscal Courts and the governments of local municipalities may enter into contracts with the Transportation Cabinet to assist them in administering their County Road Aid and Municipal Road Aid funds.

KRS 177.977 - 177.979 establishes the Energy Recovery Road Fund, which allows for the transport of coal over certain roads at extended vehicle weights when a special fee is paid. The fees are then used for the upkeep of these same roads. In

addition, the statutes allow for cooperative agreements between coal haulers and the Cabinet to provide funds for maintaining roads on which non-registered trucks may travel.

Policy

The enacted budget suspends KRS 177.320(1)(2) and KRS 177.365(1) to allow funding for the Kentucky Transportation Center to be drawn uniformly from both the Revenue Sharing Programs and the State Share of the Motor Fuels Taxes. The Revenue Sharing program will provide \$139,700 each year of the biennium to the Kentucky Transportation Center as follows: \$53,000 from the County Road Aid program; \$64,400 from the Rural Secondary program; and \$22,300 from the Municipal Road Aid program. The appropriation to the Kentucky Transportation Center is contained in the Highways Research program.

The enacted budget also funds the Phase II bridge program through the Rural Secondary program at \$3,000,000 in fiscal year 1997 and \$2,500,000 in fiscal year 1998.

TRANSPORTATION
Rail Transportation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	69,300	507,600	509,500	64,600	66,800
Continuing Appropriation	13,600				
Total General Fund	<u>82,900</u>	<u>507,600</u>	<u>509,500</u>	<u>64,600</u>	<u>66,800</u>
Federal Funds					
Balance Forward	-63,200				
Current Receipts	436,000				
Total Federal Funds	<u>372,800</u>				
TOTAL FUNDS	<u>455,700</u>	<u>507,600</u>	<u>509,500</u>	<u>64,600</u>	<u>66,800</u>
EXPENDITURES BY CLASS					
Personnel Costs	55,500	57,400	59,300	54,700	56,600
Operating Expenses	13,800	14,200	14,200	9,500	9,800
Grants, Loans or Benefits	386,400	436,000	436,000		
Capital Outlay				400	400
TOTAL EXPENDITURES	<u>455,700</u>	<u>507,600</u>	<u>509,500</u>	<u>64,600</u>	<u>66,800</u>
EXPENDITURES BY UNIT					
Railroad Commission	69,300	71,600	73,500	64,600	66,800
Development	386,400	436,000	436,000		
TOTAL EXPENDITURES	<u>455,700</u>	<u>507,600</u>	<u>509,500</u>	<u>64,600</u>	<u>66,800</u>

The Rail Transportation program is comprised of two subprograms: the Kentucky Railroad Commission and Rail Development. Section 209 of the Kentucky Constitution and KRS Chapter 276 establish the Railroad Commission of Kentucky. The Commission is responsible for regulation and safety of Kentucky's railway system and they also regulate rates and tariffs. The Rail Development program provides financial assistance under the federal Local Rail Service Assistance Program to assist in mitigating the adverse affects of railroad abandonment on shippers and communities by providing funds for rail rehabilitation and encouraging lines to be purchased and operated as short lines. Congress did not appropriate funding for the Local Rail Service Assistance program in federal fiscal year 1996, and federal funding is not anticipated during the 1996-98 biennium.

TRANSPORTATION
Public Transportation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	939,600	5,407,100	4,983,800	3,986,500	3,295,500
Surplus Plan	2,000,000				
Continuing Appropriation	642,400	642,400	642,400	642,400	642,400
Total General Fund	<u>3,582,000</u>	<u>6,049,500</u>	<u>5,626,200</u>	<u>4,628,900</u>	<u>3,937,900</u>
Restricted Agency Funds					
Balance Forward	66,300				
Federal Funds					
Balance Forward	-739,000	-739,000	-739,000	-739,000	-739,000
Current Receipts	4,762,100	4,086,500	4,086,500	5,086,500	4,086,500
Total Federal Funds	<u>4,023,100</u>	<u>3,347,500</u>	<u>3,347,500</u>	<u>4,347,500</u>	<u>3,347,500</u>
TOTAL FUNDS	<u>7,671,400</u>	<u>9,397,000</u>	<u>8,973,700</u>	<u>8,976,400</u>	<u>7,285,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	714,700	761,400	783,900	746,400	768,100
Operating Expenses	41,600	32,900	33,800	32,900	33,800
Grants, Loans or Benefits	7,011,700	8,699,300	8,252,600	8,293,700	6,580,100
TOTAL EXPENDITURES	<u>7,768,000</u>	<u>9,493,600</u>	<u>9,070,300</u>	<u>9,073,000</u>	<u>7,382,000</u>

The Public Transportation Development program provides technical and financial assistance to public transportation providers throughout the Commonwealth principally through the following federal programs: Section 5303 of the 1964 UMTA Act funds technical assistance; operating, administrative, and capital assistance is funded by Section 5311; additional capital assistance is afforded by Section 5309, 5310, and Section 5307. KRS 96A.095 and KAR 603 7:030 authorize state funding for these programs. Also located within this budget unit is the MultiModal Planning function, which is concerned with addressing the development of the various types of transportation modes as part of an efficient, interrelated system. Both activities are performed by the Division of Multi-Modal Programs.

This program area also handles the distribution of grants to county governments for the transportation of non-public school students. The 1994 Extraordinary Session of the General Assembly, in enacting the appropriations bill, included provisions for the establishment of this program under the enacted General Fund Surplus Expenditure Plan.

Policy

The enacted budget includes General Funds in the amount of \$2,000,000 each year for non-public school transportation.

The enacted budget includes additional General Funds of \$1,045,700 in fiscal year 1997 and \$347,100 in fiscal year 1998 to provide the state's match on federal transit funds. Additional federal funds in the amount of \$1,000,000 are provided in fiscal year 1997 for capital assistance to transit authorities in urban areas.

TRANSPORTATION
Highways

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	281,801,400	37,813,000	1,979,000	37,813,000	1,979,000
Current Receipts	17,959,000	14,194,800	8,343,400	14,194,800	8,343,400
Total Restricted Agency Funds	299,760,400	52,007,800	10,322,400	52,007,800	10,322,400
Federal Funds					
Current Receipts	345,213,600	390,048,700	346,080,300	460,408,800	336,047,400
Road Fund					
Regular Appropriation	424,739,300	524,963,700	542,474,200	513,800,600	505,706,500
Surplus Plan	3,400,000				
Reorganization Adjustment	-222,600				
Total Road Fund	427,916,700	524,963,700	542,474,200	513,800,600	505,706,500
TOTAL FUNDS	1,072,890,700	967,020,200	898,876,900	1,026,217,200	852,076,300
EXPENDITURES BY CLASS					
Personnel Costs	191,944,700	200,614,300	209,227,600	199,813,000	207,193,300
Operating Expenses	60,377,600	72,514,500	72,406,400	70,761,400	71,709,900
Grants, Loans or Benefits	467,900	467,900	467,900	467,900	467,900
Capital Outlay	38,400	38,400	38,400	38,400	38,400
Construction	782,249,100	691,406,100	616,736,600	753,157,500	572,666,800
TOTAL EXPENDITURES	1,035,077,700	965,041,200	898,876,900	1,024,238,200	852,076,300
EXPENDITURES BY UNIT					
Research	2,003,500	2,003,500	2,003,500	2,003,500	2,003,500
Construction	851,686,800	762,784,000	691,219,000	839,035,400	661,649,200
Maintenance	149,733,800	168,526,800	172,723,500	151,676,500	155,640,200
Engineering Administration	6,647,800	6,942,100	7,170,600	6,473,200	6,723,000
Highway Planning	6,028,500	5,991,500	6,205,800	5,798,800	6,020,700
Highway Operations	15,777,300	16,793,300	17,554,500	16,750,800	17,539,700
Equipment Services	3,200,000	2,000,000	2,000,000	2,500,000	2,500,000
TOTAL EXPENDITURES	1,035,077,700	965,041,200	898,876,900	1,024,238,200	852,076,300

The Highways appropriation unit is the largest major program in the Transportation Cabinet. There are seven individual program areas which encompass the activities of this unit: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, and Equipment Services. The construction program is divided into three subprograms: Bond Funded Construction, State Funded Construction, and Federal Funded Construction.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a Commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs listed within the Highways appropriation unit.

Motor vehicles travel some 29 million miles per year on Kentucky's 72,600 miles of roads and streets. The State Primary Road System carries approximately 85 percent of all traffic. This network consists of approximately 27,300 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, and unclassified roads, and some 8,900 bridges. Kentucky's parkway system, consisting of 650 miles of state roads built to interstate standards, is the largest in the nation.

TRANSPORTATION
Highways
Research

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Road Fund					
Regular Appropriation	953,500	953,500	953,500	953,500	953,500
TOTAL FUNDS	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,713,500	1,713,500	1,713,500	1,713,500	1,713,500
Operating Expenses	290,000	290,000	290,000	290,000	290,000
TOTAL EXPENDITURES	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>	<u>2,003,500</u>

The Research Program is primarily a problem solving service available to the Department of Highways. The program provides studies relating to traffic safety and operations, pavement mechanics and performance, and materials characteristics and behavior. The Research function is mandated by the Commonwealth's use of Federal Highway funds in accordance with Title 23 of the federal Code.

This program also distributes the statutory funding for the Kentucky Transportation Center at the University of Kentucky. The amount provided is one-tenth of one percent of the motor fuels tax collections, not to exceed \$190,000 per year from the State Road Fund. The 1992 and 1994 Budget Bills mandated the transfer of an additional \$100,000 per year from the Revenue Sharing appropriation unit to this program for the Kentucky Transportation Center. Total funding for the Center of \$290,000 each year was thereby provided.

Policy

The enacted budget provides an additional \$100,000 in each year of the biennium to the Kentucky Transportation Center; total funding of \$290,000 each year is thereby provided.

TRANSPORTATION
Highways
Construction

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	281,801,400	37,813,000	1,979,000	37,813,000	1,979,000
Current Receipts	16,959,000	13,494,800	7,643,400	13,494,800	7,643,400
Total Restricted Agency Funds	298,760,400	51,307,800	9,622,400	51,307,800	9,622,400
Federal Funds					
Current Receipts	339,658,600	384,639,900	340,532,900	455,000,000	330,500,000
Road Fund					
Regular Appropriation	249,370,800	328,815,300	341,063,700	334,706,600	321,526,800
Surplus Plan	2,000,000				
Reorganization Adjustment	-290,000				
Total Road Fund	251,080,800	328,815,300	341,063,700	334,706,600	321,526,800
TOTAL FUNDS	889,499,800	764,763,000	691,219,000	841,014,400	661,649,200
EXPENDITURES BY CLASS					
Personnel Costs	73,707,500	75,517,000	78,477,900	76,517,000	78,477,900
Operating Expenses	4,460,500	4,333,200	4,336,300	18,333,200	19,336,300
Grants, Loans or Benefits	467,900	467,900	467,900	467,900	467,900
Construction	773,050,900	682,465,900	607,936,900	743,717,300	563,367,100
TOTAL EXPENDITURES	851,686,800	762,784,000	691,219,000	839,035,400	661,649,200
EXPENDITURES BY UNIT					
Bond Funded Construction	259,648,000	45,834,000	6,979,000	45,834,000	6,979,000
State Construction	177,148,800	256,782,000	269,051,000	254,556,600	256,626,800
Federal Construction	414,890,000	460,168,000	415,189,000	538,644,800	398,043,400
TOTAL EXPENDITURES	851,686,800	762,784,000	691,219,000	839,035,400	661,649,200

The Construction Program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways which are a part of the State Primary Road System. The Construction Program is divided into three sub-programs: Bond Funded Construction, State Funded Construction, and Federal Funded Construction.

Bond Funded Construction has been utilized by the Commonwealth for the construction of several different road "systems" over the past 40 years. General Obligation Bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky was created and sold revenue bonds to generate proceeds which were expended to build the Toll Road System which crisscrosses the state. Resource Recovery Bonds were sold in the late 1970's for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. Finally, the Turnpike Authority sold bonds in 1984, 1987, 1990, 1993, and 1995 for projects identified as part of the Economic Development Road System. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired, at which time they are transferred to the Cabinet and become a part of the state highway system.

State Funded Construction provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects unsuited for federal funding. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads on the state maintained highway system.

The Federal Funded Construction Program addresses the major construction, reconstruction, and rehabilitation projects on the state's highways which are eligible for funding through the Federal Highway Administration. The Intermodal Surface Transportation Efficiency Act of 1991, which was authorized through September 30, 1997, made major changes in the way in which FHWA provides this funding.

Policy

Within the State Funded Construction Program, the enacted budget provides Road Fund moneys of \$48 million in fiscal year 1997 and \$49 million in fiscal year 1998 for state resurfacing projects and \$450,000 in each year of the biennium for the specialized contracts account. Road funds are also provided in the amount of \$30,000,000 each year of the biennium for the Highway Construction Contingency Account, \$19.4 million in fiscal year 1997 and \$19 million in fiscal year 1998 for parkway and primary pavement rehabilitation.

State Road Funds are provided in the Federal Funded Construction Program totaling \$80,150,000 in fiscal year 1997 and \$64,900,000 in fiscal year 1998 to provide the anticipated required state participation in federally funded projects.

TRANSPORTATION
Highways
Maintenance

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Current Receipts	200,000	200,000	200,000	200,000	200,000
Road Fund					
Regular Appropriation	148,961,400	168,326,800	172,523,500	151,476,500	155,440,200
Reorganization Adjustment	572,400				
Total Road Fund	149,533,800	168,326,800	172,523,500	151,476,500	155,440,200
TOTAL FUNDS	149,733,800	168,526,800	172,723,500	151,676,500	155,640,200
EXPENDITURES BY CLASS					
Personnel Costs	76,739,700	81,768,000	85,551,200	80,417,700	83,967,900
Operating Expenses	70,348,900	84,113,600	84,527,100	68,613,600	69,027,100
Construction	2,645,200	2,645,200	2,645,200	2,645,200	2,645,200
TOTAL EXPENDITURES	149,733,800	168,526,800	172,723,500	151,676,500	155,640,200
EXPENDITURES BY UNIT					
Roadway Maintenance	107,918,100	119,941,200	122,891,200	103,217,000	105,982,000
Rest Area Maintenance	6,425,400	7,564,400	7,895,700	7,564,400	7,895,700
Bridge Maintenance	8,744,300	10,994,500	11,040,000	10,994,500	11,040,000
Traffic	26,646,000	30,026,700	30,896,600	29,900,600	30,722,500
TOTAL EXPENDITURES	149,733,800	168,526,800	172,723,500	151,676,500	155,640,200

The Maintenance program is the unit within the Department of Highways charged with the responsibility of ensuring that the State Primary Road System is maintained in such a manner as to ensure the safest and most serviceable roadways possible. The program goal is to provide the highway user maximum safety and comfort with minimum travel interruptions.

The Maintenance program incorporates four subprograms consisting of: Roadway Maintenance, Bridge Maintenance, Rest Area Maintenance, and Traffic. The Roadway Maintenance unit is responsible for maintenance on a portion of the highways in the State Primary Road System. The unit handles routine upkeep such as surface repairs, ditch cleaning, mowing, litter pickup, snow and ice removal, and maintenance relating to drainage, shoulders, and guardrails on the approximately 15,200 miles of highways in Kentucky.

The Bridge Maintenance program performs activities on bridges such as painting, deck repair, and structural work on the Commonwealth's 5,837 primary system bridges. The Rest Area Maintenance program provides upkeep and janitorial services at 29 rest area facilities across the state. Twenty-two of these sites are maintained under contracts with agencies that hire and train individuals with disabilities. Seven sites are maintained with state forces.

The Traffic program is responsible for the installation and maintenance of traffic control devices on approximately 25,000 miles of highways. It also maintains a statewide accident surveillance program and reviews all Department design plans for possible operational problems.

Policy

The enacted budget provides Road Funds in the amount of \$2,000,000 in each year of the biennium to support the painting of bridges over the Ohio River.

TRANSPORTATION
Highways
Engineering Administration

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	7,806,600	6,942,100	7,170,600	6,473,200	6,723,000
Reorganization Adjustment	-1,158,800				
TOTAL FUNDS	<u>6,647,800</u>	<u>6,942,100</u>	<u>7,170,600</u>	<u>6,473,200</u>	<u>6,723,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	8,720,300	9,000,500	9,363,600	8,570,500	8,933,600
Operating Expenses	874,500	946,600	952,500	907,700	934,900
Construction	-2,947,000	-3,005,000	-3,145,500	-3,005,000	-3,145,500
TOTAL EXPENDITURES	<u>6,647,800</u>	<u>6,942,100</u>	<u>7,170,600</u>	<u>6,473,200</u>	<u>6,723,000</u>

The Engineering Administration program area provides for the design, right of way acquisition, and construction of all major highway projects on the state-maintained roadway system, and oversees the maintenance and overall operation of the state and federal highway systems within the Commonwealth. This program accounts for general administration and supervision costs not associated with specific construction or maintenance projects. The engineering costs related to specific projects are charged directly to those project accounts and the funds for such charges are budgeted in each Construction subprogram. Although this program involves a large number of employees, only a fraction of the personnel costs for these individuals is funded through the Engineering Administration program unit.

TRANSPORTATION
Highways
Highway Planning

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	4,405,000	4,258,800	4,397,400	4,258,800	4,397,400
Road Fund					
Regular Appropriation	1,623,500	1,732,700	1,808,400	1,540,000	1,623,300
TOTAL FUNDS	<u>6,028,500</u>	<u>5,991,500</u>	<u>6,205,800</u>	<u>5,798,800</u>	<u>6,020,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	5,537,400	5,494,400	5,706,500	5,480,000	5,692,100
Operating Expenses	491,100	497,100	499,300	318,800	328,600
TOTAL EXPENDITURES	<u>6,028,500</u>	<u>5,991,500</u>	<u>6,205,800</u>	<u>5,798,800</u>	<u>6,020,700</u>

The Highway Planning area conducts a comprehensive program of roadway system evaluation for the approximately 70,000 miles of streets and highways in the Commonwealth. The goal of this function is to ensure that available state and federal highway funds are utilized to maximum efficiency. This program area collects and reviews information concerning the physical and operational characteristics of all highway systems in the state. This includes maintaining an inventory of all roadway classifications and preparing city, county, and state road maps for distribution. The unit performs engineering and environmental impact studies for federal aid highway projects and state-financed construction. In addition, the program gathers and furnishes various statistics required by the Federal Highway Administration in the area of metropolitan transportation planning. Information is also provided for the Highway Performance Monitoring Study (HPMS).

TRANSPORTATION
Highways
Highway Operations

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	100,000	100,000	100,000	100,000	100,000
Road Fund					
Regular Appropriation	15,023,500	16,693,300	17,454,500	16,650,800	17,439,700
Reorganization Adjustment	653,800				
Total Road Fund	<u>15,677,300</u>	<u>16,693,300</u>	<u>17,454,500</u>	<u>16,650,800</u>	<u>17,439,700</u>
TOTAL FUNDS	<u>15,777,300</u>	<u>16,793,300</u>	<u>17,554,500</u>	<u>16,750,800</u>	<u>17,539,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	15,053,500	16,115,500	16,886,500	16,108,900	16,879,900
Operating Expenses	685,400	639,400	629,600	603,500	621,400
Capital Outlay	38,400	38,400	38,400	38,400	38,400
TOTAL EXPENDITURES	<u>15,777,300</u>	<u>16,793,300</u>	<u>17,554,500</u>	<u>16,750,800</u>	<u>17,539,700</u>

The Highway Operations program is charged with the administrative functions related directly to the Department of Highways. It encompasses the State Highway Engineer's Office, the Commissioner of Highways Office, the Division of Contract Procurement, and the 12 Highway District Offices located throughout the state. This area's functions include the management of the Department, the procurement of contract services relating to construction and maintenance activities, the assignment of personnel, and the handling of general policy matters relating to the operations of the Cabinet's regional office system. These offices assist and interact with virtually all other functions of the Department of Highways to provide efficient and effective maintenance and construction work throughout the Commonwealth.

TRANSPORTATION
Highways
Equipment Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Current Receipts	800,000	500,000	500,000	500,000	500,000
Road Fund					
Regular Appropriation	1,000,000	1,500,000	1,500,000	2,000,000	2,000,000
Surplus Plan	1,400,000				
Total Road Fund	<u>2,400,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
TOTAL FUNDS	<u>3,200,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	10,472,800	11,005,400	11,528,400	11,005,400	11,528,400
Operating Expenses	-16,772,800	-18,305,400	-18,828,400	-18,305,400	-18,828,400
Construction	9,500,000	9,300,000	9,300,000	9,800,000	9,800,000
TOTAL EXPENDITURES	<u>3,200,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
EXPENDITURES BY UNIT					
Equipment Operations	28,144,000	30,684,800	31,214,800	30,684,800	31,214,800
Garage Tools	200,000	200,000	200,000	200,000	200,000
Equipment Purchases	8,200,000	8,000,000	8,000,000	8,500,000	8,500,000
Rental Earnings	-28,144,000	-30,684,800	-31,214,800	-30,684,800	-31,214,800
Depreciation Earnings	-5,200,000	-6,200,000	-6,200,000	-6,200,000	-6,200,000
TOTAL EXPENDITURES	<u>3,200,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

The mission of the Equipment Services program area is to provide highway construction and maintenance equipment for use by the Department of Highways in the accomplishment of its objectives. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through a network of 17 repair garages located throughout the state.

Expenditures in this program are offset, for the most part, by depreciation earnings and rental charges made to other Cabinet programs for the use of equipment. The program effectively operates as an internal service unit, therefore, the only expenditures it ultimately posts against the Road Fund budget are those costs which are not offset by earnings.

Policy

Additional Road Funds in the amount of \$2,000,000 each year of the biennium are provided for the replacement of worn equipment.

TRANSPORTATION
Vehicle Regulation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	2,001,700	1,093,200	1,010,300	1,093,400	1,010,500
Current Receipts	1,785,400	2,135,000	2,157,900	2,135,000	2,157,900
Total Restricted Agency Funds	3,787,100	3,228,200	3,168,200	3,228,400	3,168,400
Federal Funds					
Balance Forward	-288,800	-296,900	-296,900	-296,900	-296,900
Current Receipts	1,584,300	1,502,900	1,559,800	1,502,900	1,559,800
Total Federal Funds	1,295,500	1,206,000	1,262,900	1,206,000	1,262,900
Road Fund					
Regular Appropriation	22,773,800	28,346,500	25,207,800	22,710,800	24,934,900
Reorganization Adjustment	161,300				
Total Road Fund	22,935,100	28,346,500	25,207,800	22,710,800	24,934,900
TOTAL FUNDS	28,017,700	32,780,700	29,638,900	27,145,200	29,366,200
EXPENDITURES BY CLASS					
Personnel Costs	19,444,500	21,001,800	21,902,400	19,907,100	20,576,600
Operating Expenses	7,726,200	11,015,000	7,094,700	6,474,300	8,147,900
Capital Outlay	50,000	50,000	50,000	50,000	50,000
Construction	500	500	500	200	200
TOTAL EXPENDITURES	27,221,200	32,067,300	29,047,600	26,431,600	28,774,700
EXPENDITURES BY UNIT					
Commissioner	560,500	457,900	476,100	428,200	447,300
Driver Licensing	6,415,500	6,410,500	6,598,500	6,384,100	6,414,200
Motor Carriers	1,751,200	1,799,100	1,874,800	1,639,900	1,717,900
Motor Vehicle Licensing	5,636,200	9,473,600	5,666,700	5,403,200	5,600,100
Motor Vehicle Enforcement	11,888,600	13,010,800	13,483,900	11,662,200	12,149,000
Hearings	183,000	195,400	204,700	194,000	203,300
Motor Vehicle Commission	786,200	720,000	742,900	720,000	742,900
TOTAL EXPENDITURES	27,221,200	32,067,300	29,047,600	26,431,600	27,274,700

The Department of Vehicle Regulation encompasses the Office of the Commissioner, the Division of Driver Licensing, the Division of Motor Carriers, the Division of Motor Vehicle Licensing, and the Division of Motor Vehicle Enforcement. Each division within the Department of Vehicle Regulation administers specific chapters of the Kentucky Revised Statutes.

The Administration unit, through the Commissioner's Office, coordinates and provides staff functions for the Vehicle Regulation program. This includes the development of central policies and administrative procedures for the implementation of legislatively-mandated programs, in addition to providing administrative support services.

The Division of Driver Licensing administers KRS 189.400 through 189.649, Chapter 187, Chapter 189A, and Chapter 281A. By law, this Division administers driver history records; enforces driver license suspensions, revocations, driver limitations programs; and provides state traffic school programs.

The Division of Motor Carriers administers KRS Chapter 189 and 281, KRS 138.655 through 138.725, and KRS 174.400. This Division regulates all for-hire motor transportation in Kentucky; all permits for operating authority and overweight/overdimensional vehicles, and regulates the rate charges and services rendered by for-hire Kentucky motor carriers of property and passengers. This Division also establishes and maintains a hazardous/radioactive permitting system.

The Division of Motor Vehicle Licensing administers KRS 186.020, 186.050, 186A.010 and 186A.015. This Division operates and maintains a registration and licensing system for vehicles other than passenger-for-hire types. The Division also calculates and collects fees, issues tags, distributes proportional fees to participating states for trucks licensed under the International Registration Plan. The Division develops and maintains the Automated Vehicle Information System (AVIS), central title distribution function, and administers the boat numbering, registration, and titling requirements.

The Division of Motor Vehicle Enforcement administers KRS Chapters: 138, 174, 177, 186, 186A, 189, 189A, and 281. This Division consists of Central Office staff, sworn officers, and weigh station technicians who enforce all laws and regulations pertaining to vehicle size, weight, registration, operating authority, fuel tax reporting, insurance, and safety requirements for commercial vehicles. Also, this Division conducts vehicle safety and hazardous materials inspections.

The Division of Hearings is responsible for the administration of the provisions of KRS Chapter 281, Sections 620, 630, 632, 640, 780, and 801. The Division conducts hearings and prepares legal opinions and briefs for the Department and other Cabinet units concerning the interpretation of statutes and regulations administered by the Department of Vehicle Regulation.

The Kentucky Motor Vehicle Commission, authorized by KRS 190 and attached to this appropriation unit, licenses and regulates all vehicle manufacturers, dealers, and salespersons conducting business in the Commonwealth. The Commission is funded through various fees which are deposited to a restricted agency fund account.

Policy

The enacted budget provides additional Road Funds in the amount of \$1,500,000 in fiscal year 1998 for the replacement of 2,700,000 motor vehicle license plates. These plates will be produced at cost by Correctional Industries and issued in calendar year 1998.

TRANSPORTATION
Debt Service

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	159,869,400	161,284,300	152,330,100	161,284,300	152,330,100
EXPENDITURES BY CLASS					
Debt Service	159,869,400	161,284,300	152,330,100	161,284,300	152,330,100
EXPENDITURES BY UNIT					
Toll Road Lease Rental	69,085,000	24,563,400	15,260,400	24,563,400	15,260,400
Resource Recovery Lease					
Rental	47,025,500	76,047,100	65,419,300	76,047,100	65,419,300
Economic Development Lease					
Rental	43,758,900	60,673,800	71,650,400	60,673,800	71,650,400
TOTAL EXPENDITURES	159,869,400	161,284,300	152,330,100	161,284,300	152,330,100

The Debt Service Program is the budget entity through which payments of principal and interest are made on the revenue bonds the Commonwealth has issued to finance highway construction.

Revenue bonds for the construction of the Commonwealth's system of toll roads were sold by the Kentucky Turnpike Authority in the 1960's. Virtually all of the toll road bonds have been refunded in recent years to take advantage of lower interest rates. Debt service on the outstanding bonds is provided in the form of "lease rental payments" from the Transportation Cabinet to the Turnpike Authority.

The Energy Resource Recovery Act passed by the 1976 General Assembly authorized the issuance of Resource Recovery Road Bonds to finance construction and reconstruction of highways which bear a large portion of Kentucky's coal haul traffic. The original bonds were issued in 1977, 1978, and 1979, and have been refinanced to take advantage of falling interest rates.

In 1980 the General Assembly empowered the Turnpike Authority to issue bonds for the purpose of improving the state's Economic Development Road System. The original issue of \$300 million was made in May of 1984 and has since been refunded. The 1990 General Assembly authorized another \$600 million of these bonds in KRS Chapter 175. Approximately \$300 million of these bonds were sold in October, 1991 as authorized in the 1990 Appropriations Act, \$150 million in bonds were sold in April 1993, as provided in the 1992 Appropriations Act, and the remaining \$150 million in bonds were sold in April, 1995, as provided in the 1994 Appropriations Act.

Policy

The enacted budget suspends during the 1996-98 biennium KRS 175.505 which provides for deposits to the Debt Payment Acceleration Fund account. Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Turnpike Authority shall be transferred to the State Construction Account.

TRANSPORTATION
General Administration and Support

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		506,300	506,300		
Restricted Agency Funds					
Balance Forward	2,702,800	1,442,600	679,100	1,442,300	678,800
Current Receipts	50,000	50,000	50,000	50,000	50,000
Non-Revenue Receipts	17,137,000	18,580,000	19,760,000	19,705,000	20,885,000
Total Restricted Agency Funds	19,889,800	20,072,600	20,489,100	21,197,300	21,613,800
Road Fund					
Regular Appropriation	50,654,900	54,584,600	55,815,100	51,358,500	52,868,000
Reorganization Adjustment	-228,700				
Total Road Fund	50,426,200	54,584,600	55,815,100	51,358,500	52,868,000
TOTAL FUNDS	70,316,000	75,163,500	76,810,500	72,555,800	74,481,800
EXPENDITURES BY CLASS					
Personnel Costs	29,025,000	31,153,000	32,251,500	30,375,300	31,461,400
Operating Expenses	27,532,000	29,064,700	28,756,400	27,805,900	27,723,100
Grants, Loans or Benefits	15,000	15,000	15,000	15,000	15,000
Capital Outlay	12,221,700	14,171,700	15,171,700	13,600,800	14,666,700
Construction	80,000	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	68,873,700	74,484,400	76,274,600	71,877,000	73,946,200
EXPENDITURES BY UNIT					
Secretary	10,286,000	11,402,900	11,597,500	10,993,900	11,233,700
Administrative Services	48,529,500	52,573,300	53,742,200	50,767,700	52,150,000
Fiscal Management	10,058,200	10,508,200	10,934,900	10,115,400	10,562,500
TOTAL EXPENDITURES	68,873,700	74,484,400	76,274,600	71,877,000	73,946,200

The General Administration and Support appropriation unit provides the Transportation Cabinet with the broad range of management and administrative capabilities required for both general policy making and efficient day-to-day operations. Included within this unit are three separate department level programs. The programs are: Office of Secretary, Administrative Services, and Fiscal Management.

The Office of Secretary encompasses the Office of the Secretary of Transportation, the Office of Policy and Budget, the Office of Environmental Affairs, the Office of Personnel Management, the Office of Minority Affairs, the Office of General Counsel, and the Office of Public Relations. These units provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary the managerial tools necessary to operate the Cabinet. The Office of Policy and Budget manages the Cabinet's financial resources. The Office of Environmental Affairs is responsible for assuring the agency's compliance with environmental laws and regulations. The Office of Personnel Management oversees the recruitment, administration, and management of the Cabinet's personnel. The Office of Minority Affairs conducts programs to assist minorities in employment and procurement of highway construction contracts. The Office of General Counsel provides the agency with the required legal representation in matters before administrative boards and all levels of the court system. The Office of Public Relations is responsible for the Cabinet's communications with the news media and the general public.

The Department of Administrative Services encompasses the subprograms of: Data Processing, Property and Supply, Administration, and Transportation Services. The Division of Information Technology handles the Data Processing program area and is responsible for all information processing functions in the Cabinet. The Divisions of Service and Supply and Real Property make up the Property and Supply program area. They purchase, receive, store, inventory, and issue to each Cabinet unit the office, engineering and laboratory supplies, equipment, and furniture necessary to operate. Also, this program area maintains the Cabinet's real property, which totals some 870 buildings located throughout the state. The Administration program area is comprised of the Commissioner of Administrative Services, the Division of Employee Safety and Health, the Division of Management Services, and the Division of Purchases. This program area also contains an Administrative Earnings account which accrues reimbursement from nonRoad Fund supported units for the various types of administrative support provided by Road Fund units. The Transportation Services program area is operated by the Division of Fleet Management and encompasses the state-wide Motor Pool. The Motor Pool encompasses the passenger vehicles of all state agencies.

The Department of Fiscal Management encompasses the Office of the Commissioner of Fiscal Management, the Division of Accounts, the Division of Audit Review, and the Division of Toll Facilities. The Office of the Commissioner and the Divisions of Accounts and Audit Review are service programs which coordinate the financial management, accounting, and auditing functions within the Cabinet. The Division of Toll Facilities administers the operational functions and programs relative to the Cabinet's tolled parkways.

Policy

The enacted budget provides additional restricted funds of \$1,125,000 in each year of the biennium to purchase liability insurance for all vehicles in the statewide motorpool. Road Funds in the amount of \$70,000 are provided to support the electronic transfer of Six-Year Road Plan and other highway related information to the legislature.

**TRANSPORTATION
Judgments**

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Road Fund					
Special Appropriation	19,173,700				
EXPENDITURES BY CLASS					
Operating Expenses	19,173,700				
EXPENDITURES BY UNIT					
Thomas Heavy Hauling	12,221,700				
Usher Transport Inc.	6,952,000				
TOTAL EXPENDITURES	<u>19,173,700</u>				

Policy

The enacted budget permits funds to be transferred from the State Construction Account when actual payments of judgments must be disbursed. Notwithstanding KRS 45.229, any funds not expended by June 30, 1996, shall not lapse, but shall carry forward to fiscal year 1996-97.

	WORKFORCE DEVELOPMENT				
	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	102,175,500	127,817,700	143,063,900	104,553,400	107,596,800
Restricted Agency Funds					
Balance Forward	5,440,500	3,791,600	3,219,700	3,791,400	1,996,100
Current Receipts	26,905,800	28,268,000	28,976,300	26,696,000	28,044,900
Non-Revenue Receipts	19,853,800	20,173,900	20,996,300	24,390,200	25,346,600
Total Restricted Agency Funds	52,200,100	52,233,500	53,192,300	54,877,600	55,387,600
Federal Funds					
Balance Forward	2,244,000	502,800	872,000	483,700	944,000
Current Receipts	385,811,200	371,543,000	373,644,600	371,065,000	372,835,100
Non-Revenue Receipts	-3,395,200	-4,131,400	-4,076,700	-4,131,400	-4,076,700
Revenue Redistribution	-615,500	-1,054,400	-671,800	-3,697,000	-3,388,500
Total Federal Funds	384,044,500	366,860,000	369,768,100	363,720,300	366,313,900
TOTAL FUNDS	538,420,100	546,911,200	566,024,300	523,151,300	529,298,300
EXPENDITURES BY CLASS					
Personnel Costs	155,494,800	160,826,200	167,665,600	155,796,500	161,763,960
Operating Expenses	40,236,600	41,043,300	41,371,400	38,825,900	39,293,100
Grants, Loans or Benefits	326,796,300	317,000,000	320,323,100	312,134,300	313,709,300
Debt Service	3,637,000	3,644,000	13,177,000	3,643,000	3,641,000
Capital Outlay	7,980,300	20,306,000	19,304,300	9,811,500	8,398,340
TOTAL EXPENDITURES	534,145,000	542,819,500	561,841,400	520,211,200	526,805,700
EXPENDITURES BY UNIT					
General Administration and Program Support	22,220,900	21,431,400	28,799,900	20,588,500	18,402,500
State Board for Adult and Technical Education	33,600	33,600	33,600	33,600	33,600
Technical Education	118,243,900	134,093,100	138,581,100	121,068,000	124,461,000
Adult Education and Literacy	19,690,600	20,151,100	20,870,700	16,724,500	16,690,400
Vocational Rehabilitation	47,556,800	48,467,200	50,499,800	45,865,500	47,080,700
Department for the Blind	12,168,100	12,814,300	12,919,100	12,013,900	12,322,700
Governor's Council on Vocational Education	156,200	148,700	152,500	148,700	152,500
State Board for Proprietary Education	98,100	102,100	106,100	102,100	106,100
Job Training Coordinating Council	138,900	138,900	138,900	138,900	138,900
Teachers' Retirement - Employer Contribution	8,652,000	9,443,800	9,916,100	8,822,500	9,266,100
Training and Reemployment	34,763,300	24,253,700	23,626,100	24,232,400	23,601,700
Employment Services	270,422,600	271,741,600	276,197,500	270,472,600	274,549,500
TOTAL EXPENDITURES	534,145,000	542,819,500	561,841,400	520,211,200	526,805,700

The passage of House Bill 814 by the 1990 General Assembly established a new chapter, KRS 151B, which created the Cabinet for Workforce Development. The Cabinet's directive is to address the needs of the Commonwealth's adult population, employees, and employers with a comprehensive, strategic approach to workforce education, training, and retraining. The Cabinet consists of state agencies whose role and mission relates to the training of Kentucky's residents. It is an acknowledgment that the relationship among adult education, job training, and the economic development of the Commonwealth is vital to the state's economic growth.

The Cabinet is the fourth largest cabinet and is quickly evolving into a "one-stop" provider for those needing job training, assessment and/or basic adult education. Kentucky was the first state in the nation to establish a comprehensive approach to workforce education and training at the cabinet level.

The Cabinet has adopted a mission statement to guide its component agencies as they strive to provide the best possible services to the citizens of the Commonwealth:

We prepare Kentucky's current, future and emerging workforce for employment, lifelong learning and independence in a changing global economy.

The Cabinet's mission of ensuring that Kentucky's citizens possess the skills and knowledge to be productive in the workplace is expressed in the following goals:

- Develop and advocate a comprehensive workforce training policy for Kentucky;
- Provide all Kentuckians opportunities to obtain the skills, knowledge and training they need to be gainfully employed;
- Strengthen and expand job training, adult education and vocational rehabilitation systems;
- Invest in the human resources necessary to ensure the development of a world-class work force;
- Develop flexible and accessible education, training and retraining programs to meet emerging work place needs;
- Improve adult basic skills that enhance independent living and lifelong learning;
- Provide Kentucky business, industry and labor with a central point of contact for job training and technical assistance regarding the Americans with Disabilities Act (ADA);
- Respond to work force needs through effective partnerships with business, industry, education and labor;
- Provide affordable education and training for Kentucky's small businesses;
- Increase public awareness of programs and services;
- Increase the effectiveness and efficiency of services and programs;
- Enhance Kentucky's economic vitality through work force training.

WORKFORCE DEVELOPMENT
General Administration and Program Support

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,318,800	8,200,600	17,919,300	7,357,700	7,521,900
Restricted Agency Funds					
Balance Forward	283,500	74,400	86,800	74,300	86,700
Current Receipts	25,000	25,000	25,000	25,000	25,000
Non-Revenue Receipts	4,557,600	4,824,200	4,952,700	4,824,200	4,952,700
Total Restricted Agency Funds	4,866,100	4,923,600	5,064,500	4,923,500	5,064,400
Federal Funds					
Balance Forward	51,900	64,800	126,200	64,500	125,900
Current Receipts	10,183,400	8,511,200	6,446,300	8,511,200	6,446,300
Revenue Redistribution	-60,500	-55,800	-56,100	-55,800	-56,100
Total Federal Funds	10,174,800	8,520,200	6,516,400	8,519,900	6,516,100
TOTAL FUNDS	22,359,700	21,644,400	29,500,200	20,801,100	19,102,400
EXPENDITURES BY CLASS					
Personnel Costs	5,651,300	6,027,400	6,324,600	5,717,800	6,000,000
Operating Expenses	3,486,800	3,874,800	3,947,500	3,343,500	3,412,700
Grants, Loans or Benefits	9,239,500	7,801,100	5,302,700	7,800,100	5,300,700
Debt Service	3,637,000	3,644,000	13,177,000	3,643,000	3,641,000
Capital Outlay	206,300	84,100	48,100	84,100	48,100
TOTAL EXPENDITURES	22,220,900	21,431,400	28,799,900	20,588,500	18,402,500
EXPENDITURES BY UNIT					
Secretary	420,600	436,100	449,500	432,900	446,000
General Counsel	379,500	392,800	405,600	389,900	402,400
Communications	225,000	229,000	232,900	227,300	231,100
Development and Industry Relations	112,400	117,900	123,300	117,000	122,300
Workforce Analysis and Research	204,700	223,000	226,500	223,000	226,500
School-to-Work	8,000,000	7,133,700	4,730,000	6,913,700	4,500,000
Policy, Budget, and Personnel	3,187,100	2,590,900	2,572,800	2,571,900	2,552,500
Administrative Services	4,536,300	4,599,000	4,755,200	4,487,000	4,652,200
Facilities Maintenance	1,488,300	2,003,000	2,063,100	1,521,800	1,566,500
Debt Service	3,637,000	3,644,000	13,177,000	3,643,000	3,641,000
Postsecondary Students with Disabilities - Pilot	30,000	62,000	64,000	61,000	62,000
TOTAL EXPENDITURES	22,220,900	21,431,400	28,799,900	20,588,500	18,402,500

The General Administration and Program Support provides central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. The program is responsible for policy and budget development, personnel transactions, legal services, including legislative and regulatory development, communications, economic analysis and research, as well as school-to-work activities. The following offices make up the General Administration program

The Office of the Secretary provides the strategic direction and leadership for the Cabinet, including the coordination of Cabinet activities among the departments and agencies. The Secretary serves as the Chief Executive Officer for the Cabinet and acts as an advisor to the Governor and the General Assembly regarding workforce issues.

The Office of School-to-Work was established in July, 1994, as a result of being awarded a School-to-Work implementation grant. Executive Order 94-904 created the Office to assume the day-to-day responsibilities for implementation of a school-to-work system in the Commonwealth. The Office is headed by an Executive Director recommended by the State Workforce Partnership Council and appointed by the Secretary of the Workforce Cabinet. The Office is supported with federal funding from the grant award.

The Office of General Counsel provides legal advice and representation, including review of contracts, memoranda of agreements, personnel legal actions, regulations, legislation and policy review. The Office also performs collections and employment litigation functions as a result of the recent transfer of the Department for Employment Services to the Cabinet.

The Office of Workforce Analysis and Research is responsible for data collection and analytical research on economic and employment trends. The Kentucky Occupational Information Coordinating Committee (KOICC) is administratively attached to this office. The KOICC coordinates the development and dissemination of occupational, labor market, education training, and career information for use by counselors, students, and others. It is federally funded.

The Office of Development and Industry Relations serves as the central point of contact for the private sector to access adult education and job training services.

The Office of Communications provides internal and external communications, disseminating information about the Cabinet and its components to employees, the media and the general public. The Office also produces all departmental publications and distributes news releases.

The Office for Policy, Budget and Personnel was established pursuant to the reorganization of the Cabinet on July 1, 1995 through Executive Order 95-289, which split the former Office for Administration and Policy Support into two offices: renaming and reorganizing the Office for Administration and Policy Support as the new Office of Administrative Services and establishing the Office for Policy, Budget and Personnel.

Administratively attached to the Office for Policy, Budget and Personnel is the JTPA Education and Coordination Branch, which is responsible for the administration of federal funds provided through the Job Training Partnership Act. These funds represent eight percent of the Titles IIA (year-round adult training) and IIC (year-round youth training) allocations. To be eligible for eight percent funds, an individual must be economically disadvantaged and have one other barrier to employment, such as a deficiency in basic skills. This branch is federally funded.

The Client Assistant Branch is also attached to the Office for Policy, Budget and Personnel. This is a federally mandated program that ensures the protection of rights of disabled individuals under the Rehabilitation Act of 1973. This branch is federally funded.

The Office of Administrative Services was established pursuant to Executive Order 95-289. The Computer Services Division within the Office serves as the central location for all Cabinet data processing programs statewide. The Division of Fiscal Services is responsible for all central office purchasing, auditing and processing of financial documents and maintenance of the STARS accounting system. The Division of Facilities Management is responsible for the physical management of all state-owned and operated facilities within the Cabinet, including the Kentucky Tech System and the Department for Employment Services offices statewide, as well as the Carl D. Perkins Rehabilitation Center in Thelma and Department for the Blind facilities in Louisville.

The Postsecondary Students with Disabilities pilot project was funded initially during the 1994-96 biennium. The Cabinet subgranted funds totaling approximately \$30,000 in each year of the 1994-96 biennium to Eastern Kentucky University to operate Project SUCCESS, which focuses on enhancing postsecondary education for learning disabled students. Project SUCCESS provides tutors, testing and advocacy for students who need remedial training in reading, english and math. In fiscal year 1996, an estimated 35 students will be served through this program.

Policy

Included in the General Fund appropriation is debt service in the amount of \$3,643,000 in fiscal year 1996-97 and \$3,641,000 in fiscal year 1997-98 for previously issued bonds.

The General Fund appropriation also includes \$61,000 in fiscal year 1996-97 and \$62,000 in fiscal year 1997-98 to continue the Postsecondary Students with Disabilities Project.

WORKFORCE DEVELOPMENT
State Board for Adult and Technical Education

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,600	33,600	33,600	33,600	33,600
EXPENDITURES BY CLASS					
Personnel Costs	18,600	18,600	18,600	18,600	18,600
Operating Expenses	15,000	15,000	15,000	15,000	15,000
TOTAL EXPENDITURES	33,600	33,600	33,600	33,600	33,600

The State Board for Adult and Technical Education was established by the 1990 General Assembly and operates under the provisions of KRS Chapter 151.032. The Board consists of nine voting members, one from each Supreme Court district and two from the state at large, who are appointed by the Governor.

The primary purpose of the Board is to develop and adopt the regulations which govern the planning, coordinating, administering, supervising, operating, and evaluating of the adult and technical programs, services, and activities within the Department for Technical Education and the Department for Adult Education and Literacy. The Board is authorized to establish administration and operating procedures for state-operated technical schools and staff, as well as to recommend to the State Board for Elementary and Secondary Education standards pertaining to secondary technical education curriculum, accreditation, equipment, facilities, and related matters. The Board also administers the personnel system as authorized by KRS 151B.

The Board must meet a minimum of four times per year and has three standing committees: the program committee, the finance committee, and the long-term planning committee. Special task forces and work groups are appointed as needed.

WORKFORCE DEVELOPMENT
Technical Education

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	63,619,300	80,382,400	83,330,400	67,218,700	69,175,300
Restricted Agency Funds					
Balance Forward	2,805,200	2,575,300	2,190,600	2,575,300	966,100
Current Receipts	18,729,400	20,667,100	21,370,600	19,502,100	20,679,900
Non-Revenue Receipts	14,007,500	14,663,800	15,352,000	14,742,900	15,440,300
Total Restricted Agency Funds	35,542,100	37,906,200	38,913,200	36,820,300	37,086,300
Federal Funds					
Balance Forward	371,000	18,900	18,900		
Current Receipts	27,257,300	23,301,400	23,459,000	23,301,400	23,459,000
Non-Revenue Receipts	-5,970,500	-5,306,300	-5,251,600	-5,306,300	-5,251,600
Total Federal Funds	21,657,800	18,014,000	18,226,300	17,995,100	18,207,400
TOTAL FUNDS	120,819,200	136,302,600	140,469,900	122,034,100	124,469,000
EXPENDITURES BY CLASS					
Personnel Costs	78,840,700	83,734,100	87,894,900	81,191,000	85,121,360
Operating Expenses	19,016,400	19,580,400	19,988,500	18,799,900	19,198,300
Grants, Loans or Benefits	15,166,000	12,218,900	12,275,400	12,218,900	12,275,400
Capital Outlay	5,220,800	18,559,700	18,422,300	8,858,200	7,865,940
TOTAL EXPENDITURES	118,243,900	134,093,100	138,581,100	121,068,000	124,461,000
EXPENDITURES BY UNIT					
Kentucky Tech System	111,049,500	128,901,600	133,527,900	115,895,800	119,428,100
Federal and Support	7,194,400	5,191,500	5,053,200	5,172,200	5,032,900
TOTAL EXPENDITURES	118,243,900	134,093,100	138,581,100	121,068,000	124,461,000

The Department for Adult and Technical Education was established effective July 1, 1990, and was reorganized in 1994 and renamed the Department for Technical Education. The Department is divided into the Division of Federal Programs and the Office of Kentucky Technology. The Division of Federal Programs, which is the state agency for the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 (Public Law 101-392) federal grant, provides public awareness, budgeting, and consultative services. The Office of Kentucky Tech is composed of two divisions: the Division of Operations, which supervises the administration, management, and operation of the state system of technical schools called Kentucky Tech; and the Division of Program Management, which provides technical assistance to secondary and postsecondary programs in the Kentucky Tech System. The Department is regulated by the State Board for Adult and Technical Education.

Policy

As in other areas of education, the enacted budget represents a commitment to provide the Department for Technical Education the resources needed to offer quality training programs to Kentucky Tech students throughout the Commonwealth. General Funds are provided for the replacement and acquisition of equipment throughout all programs in the Kentucky Tech System to ensure continued quality instruction. These funds are necessary in order that technical students may receive training on equipment comparable to that in existing business and industry so that they may be productive and valuable employees.

WORKFORCE DEVELOPMENT
Technical Education
Kentucky Tech System

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	63,457,500	80,214,300	83,155,100	67,069,900	69,020,300
Restricted Agency Funds					
Balance Forward	2,800,200	2,570,800	2,186,100	2,570,800	961,600
Current Receipts	18,726,900	20,664,100	21,367,100	19,499,100	20,676,400
Non-Revenue Receipts	14,007,500	14,663,800	15,352,000	14,742,900	15,440,300
Total Restricted Agency Funds	<u>35,534,600</u>	<u>37,898,700</u>	<u>38,905,200</u>	<u>36,812,800</u>	<u>37,078,300</u>
Federal Funds					
Balance Forward	666,600	18,900	18,900		
Current Receipts	19,682,100	18,031,000	18,334,100	18,031,000	18,334,100
Non-Revenue Receipts	-5,720,500	-5,056,300	-5,001,600	-5,056,300	-5,001,600
Total Federal Funds	<u>14,628,200</u>	<u>12,993,600</u>	<u>13,351,400</u>	<u>12,974,700</u>	<u>13,332,500</u>
TOTAL FUNDS	<u>113,620,300</u>	<u>131,106,600</u>	<u>135,411,700</u>	<u>116,857,400</u>	<u>119,431,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	77,953,500	82,802,400	86,916,900	80,278,600	84,163,660
Operating Expenses	18,525,700	19,239,000	19,587,700	18,458,500	18,797,500
Grants, Loans or Benefits	9,377,000	8,302,400	8,601,000	8,302,400	8,601,000
Capital Outlay	5,193,300	18,557,800	18,422,300	8,856,300	7,865,940
TOTAL EXPENDITURES	<u>111,049,500</u>	<u>128,901,600</u>	<u>133,527,900</u>	<u>115,895,800</u>	<u>119,428,100</u>
EXPENDITURES BY UNIT					
Administration	5,816,300	5,935,000	6,172,100	5,838,800	6,070,900
Postsecondary	59,090,100	61,220,300	63,752,800	60,860,800	63,302,700
Secondary	30,375,400	29,935,100	31,120,000	29,920,000	31,097,400
Continuing Education	5,147,300	7,516,400	7,784,700	5,368,400	5,584,700
Student Services	8,169,300	8,438,100	8,841,600	8,366,400	8,766,700
Equipment	2,451,100	15,856,700	15,856,700	5,541,400	4,605,700
TOTAL EXPENDITURES	<u>111,049,500</u>	<u>128,901,600</u>	<u>133,527,900</u>	<u>115,895,800</u>	<u>119,428,100</u>

KRS 151B provides statutory authority to the Cabinet for Workforce Development, Department for Technical Education, to establish and administer the Kentucky Tech System. This system is composed of 19 state technical schools, five health technology centers, one advanced technology center, and 54 area vocational education centers, as well as programs at ten correctional institutions throughout the state. It is administered through the Office of Kentucky Tech which serves as a central office administering programs, services and activities for the school system. This Office is composed of a central office staff divided into two divisions. The Division of Program Management has primary responsibilities for curriculum, program supervision, staff development and programmatic technical assistance. The Division of School Operations has primary responsibilities for administrative functions relating to personnel, fiscal services, contractual arrangements, student services,

and liaison activities with local school districts. Also included are six regional offices located in strategic geographical locations.

Functions administered through the Office of Kentucky Tech include: student services, which provides counseling, assessment, placement, and financial aid for students at the secondary, postsecondary, and adult levels; contract services, which works with other governmental agencies and businesses and industries to provide programs and services; technical assistance in establishing programs for fire and emergency service units across the state; and administration of technical programs in state operated correctional facilities and the Carl D. Perkins Comprehensive Rehabilitation Center.

Staff in the regional offices coordinate the planning, operation, and evaluation of technical education within a geographic region. These staff also assess program needs and implement programs for business and industry. In addition, they serve as regional instructional support staff in such functions as resource coordinators, testing administrators, evaluation and accreditation coordinators and liaisons to schools for fiscal and personnel responsibilities.

Policy

The enacted budget increases the purchasing power of the Kentucky Tech System by providing additional General Funds in the amount of \$3.1 million in fiscal year 1996-97 and \$2.2 million in fiscal year 1997-98 for equipment procurement. This General Fund support, added to the base amount of \$2,451,100 in each year of the biennium, will result in a total of \$5.5 million in fiscal year 1996-97 and \$4.6 million in fiscal year 1997-98 for equipment acquisition and replacement. The enacted budget also provides for additional restricted funds totaling \$1 million in each fiscal year for equipment procurement in the Kentucky Tech System.

Additional agency funds in the amount of \$335,000 in fiscal year 1996-97 and \$246,800 in fiscal year 1997-98 are also provided for six teachers and attendant operating costs at the following correctional institutions: the Eastern Kentucky Corrections Complex; the Western Kentucky Corrections Complex; and the Northpoint Training Center. The Department of Corrections contracts with the Kentucky Tech System to provide technical instruction to inmates housed in these and other correctional institutions located throughout the Commonwealth.

WORKFORCE DEVELOPMENT
Technical Education
Federal and Support Programs

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	161,800	168,100	175,300	148,800	155,000
Restricted Agency Funds					
Balance Forward	5,000	4,500	4,500	4,500	4,500
Current Receipts	2,500	3,000	3,500	3,000	3,500
Total Restricted Agency Funds	7,500	7,500	8,000	7,500	8,000
Federal Funds					
Balance Forward	-295,600				
Current Receipts	7,575,200	5,270,400	5,124,900	5,270,400	5,124,900
Non-Revenue Receipts	-250,000	-250,000	-250,000	-250,000	-250,000
Total Federal Funds	7,029,600	5,020,400	4,874,900	5,020,400	4,874,900
TOTAL FUNDS	7,198,900	5,196,000	5,058,200	5,176,700	5,037,900
EXPENDITURES BY CLASS					
Personnel Costs	887,200	931,700	978,000	912,400	957,700
Operating Expenses	490,700	341,400	400,800	341,400	400,800
Grants, Loans or Benefits	5,789,000	3,916,500	3,674,400	3,916,500	3,674,400
Capital Outlay	27,500	1,900		1,900	
TOTAL EXPENDITURES	7,194,400	5,191,500	5,053,200	5,172,200	5,032,900

The Division of Federal and Support Programs includes the major functions of: coordinating the development of the State Plan for Vocational-Technical Education, as required by the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 (Public Law 101-392), and related provisions regarding distribution of technical funds, developing a statewide system of standards and measures for technical programs, tracking and monitoring of sub-grants to eligible recipients, and developing an annual evaluation system; serving as liaison with occupational and support programs in community colleges and universities assisted under the federal Vocational-Technical Act; providing in-service and technical assistance to educational institutions on the provision and requirements of the federal Vocational-Technical Act; managing the Department's annual and biennial budget; operating and maintaining an automated student information system containing selected characteristics for technical programs and students; and developing and implementing a Methods of Administration (MOA) to comply with the requirements of the Office of Civil Rights relating to equity in technical programs.

The Perkins Act provides federal funds to states for the improvement of technical programs and for implementing new initiatives. The Act is composed of two major components: the basic grant and Tech Prep. Most funds are for program improvement. Tech Prep funds are earmarked for the development and modification of programs to provide opportunities for students to develop new learning techniques necessary to meet the challenges of a technological society. Other key aspects of Tech Prep are to integrate academic and technical options, and increase competencies of high school students in math, science, communication skills, and problem solving skills. The Office of Kentucky Tech provides statewide direction and leadership for this initiative.

WORKFORCE DEVELOPMENT
Adult Education and Literacy

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,529,800	13,566,900	14,284,500	10,090,300	10,051,700
Restricted Agency Funds					
Balance Forward	140,200	140,300	133,500	140,200	83,400
Current Receipts	318,000	320,000	322,000	320,000	322,000
Non-Revenue Receipts	1,102,700	494,300	494,300	494,300	494,300
Total Restricted Agency Funds	<u>1,560,900</u>	<u>954,600</u>	<u>949,800</u>	<u>954,500</u>	<u>899,700</u>
Federal Funds					
Balance Forward	72,900	305,700	548,600	305,800	548,700
Current Receipts	5,715,400	5,100,000	5,100,000	5,100,000	5,100,000
Non-Revenue Receipts	2,397,600	1,006,000	1,006,000	1,006,000	1,006,000
Revenue Redistribution	-140,000	-100,000	-100,000	-100,000	-100,000
Total Federal Funds	<u>8,045,900</u>	<u>6,311,700</u>	<u>6,554,600</u>	<u>6,311,800</u>	<u>6,554,700</u>
TOTAL FUNDS	<u>20,136,600</u>	<u>20,833,200</u>	<u>21,788,900</u>	<u>17,356,600</u>	<u>17,506,100</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,979,600	2,056,700	2,170,100	1,946,900	2,044,100
Operating Expenses	913,400	995,900	956,100	496,700	499,200
Grants, Loans or Benefits	16,004,400	16,391,300	17,429,500	13,847,200	14,081,400
Capital Outlay	793,200	707,200	315,000	433,700	65,700
TOTAL EXPENDITURES	<u>19,690,600</u>	<u>20,151,100</u>	<u>20,870,700</u>	<u>16,724,500</u>	<u>16,690,400</u>
EXPENDITURES BY UNIT					
Management and Support Services	1,222,400	1,978,500	2,408,800	971,400	1,005,900
Program Services	18,468,200	18,172,600	18,461,900	15,753,100	15,684,500
TOTAL EXPENDITURES	<u>19,690,600</u>	<u>20,151,100</u>	<u>20,870,700</u>	<u>16,724,500</u>	<u>16,690,400</u>

The duties and responsibilities of the Office of Adult Education Services and the Governor's Commission on Literacy were transferred by Executive Order 93-593 on June 23, 1993, to create the only Department level agency of its kind in the country. According to the 1990 U.S. Census, the Commonwealth of Kentucky ranks 49th in the number of adults completing high school. Among Kentucky's adult population, 36 percent do not possess a high school diploma and, of those, 18 percent did not complete the eighth grade.

Currently, the Department provides over 200 adult basic education and literacy programs to over 50,000 adults. This instruction may be in literacy, workplace basic skills, adult basic education, GED preparation, correctional education, and family literacy.

Department programs serve to meet the demands of adult learners, business and industry, welfare and education reform initiatives, and economic development. Program services are designed to help reduce the problems caused by illiteracy and undereducation.

The Department enhances the Commonwealth's commitment to those in need of adult basic education and literacy services. Because the Department provides a more systematic approach through unified planning and a continuum of student services, it increases the opportunities for cooperative efforts between the volunteer literacy and adult basic education communities. In addition, it eliminates duplicative services and better utilizes limited resources by combining funds for one service delivery system.

Policy

A total of \$370,000 in General Funds is provided in fiscal year 1996-97 to continue the State of Kentucky's Investment in Lifelong Learning (SKILL) initiative, which provides work-related essential skills instruction to individuals by offering customized training at the business or industry setting.

WORKFORCE DEVELOPMENT
Vocational Rehabilitation

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,260,900	10,591,600	11,455,900	8,735,900	9,172,700
Restricted Agency Funds					
Balance Forward	1,208,800	519,700	359,900	519,700	360,100
Current Receipts	1,848,500	2,110,200	2,176,400	1,919,200	1,935,700
Non-Revenue Receipts	186,000	191,600	197,300	191,600	197,300
Total Restricted Agency Funds	3,243,300	2,821,500	2,733,600	2,630,500	2,493,100
Federal Funds					
Balance Forward	621,600	38,000	500	38,000	88,500
Current Receipts	37,654,200	37,146,500	38,245,200	36,679,700	37,439,000
Non-Revenue Receipts	38,800	30,000	30,000	30,000	30,000
Revenue Redistribution	-1,704,300	-1,800,000	-1,854,000	-1,800,000	-1,848,100
Total Federal Funds	36,610,300	35,414,500	36,421,700	34,947,700	35,709,400
TOTAL FUNDS	48,114,500	48,827,600	50,611,200	46,314,100	47,375,200
EXPENDITURES BY CLASS					
Personnel Costs	16,237,000	17,297,000	18,141,900	16,800,800	17,625,500
Operating Expenses	3,555,200	3,696,800	3,712,200	3,573,800	3,602,500
Grants, Loans or Benefits	26,999,700	27,169,100	28,413,400	25,256,200	25,618,000
Capital Outlay	764,900	304,300	232,300	234,700	234,700
TOTAL EXPENDITURES	47,556,800	48,467,200	50,499,800	45,865,500	47,080,700
EXPENDITURES BY UNIT					
Administrative Management	1,621,700	1,697,200	1,767,800	1,701,400	1,771,900
Program Planning and Development	1,436,500	1,449,400	1,415,200	1,460,600	1,424,500
Program Services	39,224,100	39,748,300	41,523,400	37,253,100	38,214,200
Carl D. Perkins Comprehensive Rehabilitation Center	5,274,500	5,572,300	5,793,400	5,450,400	5,670,100
TOTAL EXPENDITURES	47,556,800	48,467,200	50,499,800	45,865,500	47,080,700

In accordance with Public Law 93-112, as amended by Public Law 93-516 and Public Law 95-602, the Department of Vocational Rehabilitation was created to provide for and improve the vocational rehabilitation of citizens of the Commonwealth with physical and mental handicaps in order that they may increase their social and economic well-being. The Department is charged with developing and implementing a comprehensive program of vocational rehabilitation services which will enable eligible persons with disabilities to achieve suitable employment or increase independent living skills. Consequently, the Department employs a number of counselors to provide counseling, placement, and other necessary services. An individualized written rehabilitation program, jointly developed by the Department and citizens, provides a blueprint for the individual's success consistent with the individual's capabilities.

The Department is composed of the following units:

Administrative Management: provides all administrative, technical, and budget related services for the Department.

Program Planning and Development: provides administrative and staff functions to enhance equitable, efficient service to eligible individuals with disabilities.

Program Services: responsible for directing vocational rehabilitation services to eligible individuals who have physical or mental disabilities. This includes the actual intake and client service delivery efforts of the Department.

Carl D. Perkins Comprehensive Rehabilitation Center: located at Thelma, this is the only multidisciplinary residential rehabilitation facility in Kentucky. It operates five major programs: Vocational Evaluation, Vocational Adjustment, Vocational Training, Physical Restoration, and Head Injury Community Re-Entry.

WORKFORCE DEVELOPMENT
Vocational Rehabilitation
Administrative Management

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Balance Forward	1,200				
Current Receipts	1,828,600	1,905,300	1,981,800	1,909,500	1,980,000
Revenue Redistribution	-208,100	-208,100	-214,000	-208,100	-208,100
TOTAL FUNDS	1,621,700	1,697,200	1,767,800	1,701,400	1,771,900
EXPENDITURES BY CLASS					
Personnel Costs	1,303,000	1,376,600	1,445,500	1,377,200	1,445,500
Operating Expenses	305,500	307,400	309,100	308,600	310,800
Capital Outlay	13,200	13,200	13,200	15,600	15,600
TOTAL EXPENDITURES	1,621,700	1,697,200	1,767,800	1,701,400	1,771,900

The Division of Administrative Management was created in fiscal year 1994 in accordance with Executive Order 93-593. The Division's administrative and regulatory authority to provide administrative services to the Department is through the federal Rehabilitation Act.

The Division provides all administrative, technical and budget related services for the Department and is responsive to the needs of the direct service delivery program staff. Responsibilities include budgeting, purchasing, financial reporting and federal grant accounting. The Division oversees implementation and administration of the automated case management system and coordinates the development of application programs.

The Division also coordinates the recouping of program income through the Social Security Administration (SSA). This is coordinated with SSA for the reimbursement of paid vocational rehabilitation services for those individuals receiving SSI/DI benefits who have been successfully rehabilitated by the Department and have worked for nine months. The Division negotiates on behalf of the Department and certain Community Rehabilitation Programs for the purchase of facility and community-based competitive employment outcomes and vocational evaluations. The staff then monitors the success of purchased services.

WORKFORCE DEVELOPMENT
Vocational Rehabilitation
Program Planning and Development

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	90,100	90,100	90,300	91,500	93,500
Restricted Agency Funds					
Balance Forward	22,700				
Current Receipts	37,300	60,000	60,000	60,000	60,000
Total Restricted Agency Funds	60,000	60,000	60,000	60,000	60,000
Federal Funds					
Balance Forward	37,500	37,500		37,500	
Current Receipts	1,336,400	1,311,800	1,316,400	1,321,600	1,322,500
Revenue Redistribution	-50,000	-50,000	-51,500	-50,000	-51,500
Total Federal Funds	1,323,900	1,299,300	1,264,900	1,309,100	1,271,000
TOTAL FUNDS	1,474,000	1,449,400	1,415,200	1,460,600	1,424,500
EXPENDITURES BY CLASS					
Personnel Costs	417,700	437,300	459,700	462,600	484,900
Operating Expenses	313,300	313,900	315,700	299,800	299,800
Grants, Loans or Benefits	705,500	698,200	639,800	698,200	639,800
TOTAL EXPENDITURES	1,436,500	1,449,400	1,415,200	1,460,600	1,424,500
EXPENDITURES BY UNIT					
Program Planning and Development	778,000	820,100	853,200	831,300	862,500
Advisory Council on Vocational Rehabilitation	120,000	120,000	120,000	120,000	120,000
Independent Living	450,800	421,600	354,300	421,600	354,300
Human Resource Development	87,700	87,700	87,700	87,700	87,700
TOTAL EXPENDITURES	1,436,500	1,449,400	1,415,200	1,460,600	1,424,500

The Rehabilitation Act of 1973, as amended, provides statutory and regulatory authority for the Vocational Rehabilitation Program. Program Planning and Development provides administrative and staff functions to enhance equitable, efficient service delivery to eligible individuals with disabilities. The Division has statewide responsibility for program planning, program evaluation, policy development, human resource development, job development and placement, and development of new and innovative programs. The Division also provides staff support to the Statewide Advisory Council for Vocational Rehabilitation and the Statewide Independent Living Council. Development and implementation of training for Kentucky employers on the Americans with Disabilities Act (ADA) is the responsibility of this program.

WORKFORCE DEVELOPMENT
Vocational Rehabilitation
Program Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,739,800	9,977,100	10,840,700	8,200,000	8,620,300
Restricted Agency Funds					
Balance Forward	1,180,200	513,800	352,700	513,800	352,900
Current Receipts	1,663,200	1,888,900	1,926,400	1,697,900	1,703,700
Non-Revenue Receipts	186,000	191,600	197,300	191,600	197,300
Total Restricted Agency Funds	<u>3,029,400</u>	<u>2,594,300</u>	<u>2,476,400</u>	<u>2,403,300</u>	<u>2,253,900</u>
Federal Funds					
Balance Forward	549,600	500	500	500	46,600
Current Receipts	29,474,800	28,681,500	29,497,700	28,200,700	28,687,200
Non-Revenue Receipts	38,800	30,000	30,000	30,000	30,000
Revenue Redistribution	-1,094,000	-1,181,900	-1,217,700	-1,181,900	-1,217,700
Total Federal Funds	<u>28,969,200</u>	<u>27,530,100</u>	<u>28,310,500</u>	<u>27,049,300</u>	<u>27,546,100</u>
TOTAL FUNDS	<u>39,738,400</u>	<u>40,101,500</u>	<u>41,627,600</u>	<u>37,652,600</u>	<u>38,420,300</u>
EXPENDITURES BY CLASS					
Personnel Costs	11,236,000	11,958,300	12,542,900	11,562,700	12,133,800
Operating Expenses	2,131,200	2,253,700	2,250,700	2,139,000	2,146,000
Grants, Loans or Benefits	25,152,300	25,292,300	26,557,800	23,379,400	23,762,400
Capital Outlay	704,600	244,000	172,000	172,000	172,000
TOTAL EXPENDITURES	<u>39,224,100</u>	<u>39,748,300</u>	<u>41,523,400</u>	<u>37,253,100</u>	<u>38,214,200</u>
EXPENDITURES BY UNIT					
Program Services	38,597,200	38,669,300	40,011,400	36,674,100	37,702,200
Supported Employment	626,900	1,079,000	1,512,000	579,000	512,000
TOTAL EXPENDITURES	<u>39,224,100</u>	<u>39,748,300</u>	<u>41,523,400</u>	<u>37,253,100</u>	<u>38,214,200</u>

The Program Services unit provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities to enable them to become self-supporting. The Unit is responsible for the actual intake and client service delivery system through six major subunits: client service; rehabilitation facilities; supported employment; deaf services; rehabilitation engineering; and community assessment centers. The Program Services unit determines strategic geographic placement of personnel to ensure availability of services statewide. In addition to the provision of administrative control of personnel, other major functions include distribution of fiscal resources and oversight of program implementation to ensure compliance with state and federal laws and administrative regulations.

The Program Services unit implements the federal Rehabilitation Act and must make available services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and notetaking services for persons who are deaf; reader services and notetaking services for persons who are blind; assistive technology; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock, and supplies; and other goods and services needed for terms of employability.

Policy

Additional General Funds, totaling \$400,000 in each fiscal year, are provided to increase grant support for the Higher Education Interpreters Services and Interpreters Training Programs.

WORKFORCE DEVELOPMENT
Vocational Rehabilitation
Carl D. Perkins Comprehensive Rehabilitation Center

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	431,000	524,400	524,900	444,400	458,900
Restricted Agency Funds					
Balance Forward	5,900	5,900	7,200	5,900	7,200
Current Receipts	148,000	161,300	190,000	161,300	172,000
Total Restricted Agency Funds	153,900	167,200	197,200	167,200	179,200
Federal Funds					
Balance Forward	33,300				41,900
Current Receipts	5,014,400	5,247,900	5,449,300	5,247,900	5,449,300
Revenue Redistribution	-352,200	-360,000	-370,800	-360,000	-370,800
Total Federal Funds	4,695,500	4,887,900	5,078,500	4,887,900	5,120,400
TOTAL FUNDS	5,280,400	5,579,500	5,800,600	5,499,500	5,758,500
EXPENDITURES BY CLASS					
Personnel Costs	3,280,300	3,524,800	3,693,800	3,398,300	3,561,300
Operating Expenses	805,200	821,800	836,700	826,400	845,900
Grants, Loans or Benefits	1,141,900	1,178,600	1,215,800	1,178,600	1,215,800
Capital Outlay	47,100	47,100	47,100	47,100	47,100
TOTAL EXPENDITURES	5,274,500	5,572,300	5,793,400	5,450,400	5,670,100

The Carl D. Perkins Comprehensive Rehabilitation Center (CDPCRC) at Thelma, Kentucky, is a multidisciplinary residential rehabilitation facility owned and operated by the Department subject to the provisions of the federal Rehabilitation Act. Although CDPCRC is located in the eastern part of the state, known to have the highest incidence of disability, it serves the entire state as the only comprehensive, residential rehabilitation facility.

CDPCRC provides five major programs: Vocational Evaluation, Vocational Adjustment, Vocational Training, Physical Restoration, and the Head Injury Community ReEntry Program. The following professional services are offered: vocational assessment, physical therapy, occupational therapy, speech therapy, nursing services, physician services, personal and social adjustment services, psychological and psychiatric services, adult basic education, driver's education, vocational skills training, therapeutic recreation, vocational rehabilitation counseling, social services, chaplain services, housing, transportation and administrative services.

WORKFORCE DEVELOPMENT
Department for the Blind

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,700,600	2,500,300	2,353,900	1,743,800	1,792,700
Restricted Agency Funds					
Balance Forward	611,500	333,500	301,300	333,500	352,200
Current Receipts	3,352,700	3,310,900	3,453,800	3,310,900	3,453,800
Total Restricted Agency Funds	<u>3,964,200</u>	<u>3,644,400</u>	<u>3,755,100</u>	<u>3,644,400</u>	<u>3,806,000</u>
Federal Funds					
Balance Forward	59,500	75,400	177,800	75,400	180,900
Current Receipts	6,887,700	7,108,300	7,079,000	7,118,400	7,100,100
Revenue Redistribution	-35,000	-35,000	-35,000	-35,000	-35,000
Total Federal Funds	<u>6,912,200</u>	<u>7,148,700</u>	<u>7,221,800</u>	<u>7,158,800</u>	<u>7,246,000</u>
TOTAL FUNDS	<u>12,577,000</u>	<u>13,293,400</u>	<u>13,330,800</u>	<u>12,547,000</u>	<u>12,844,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	5,687,400	5,994,100	6,289,700	5,961,600	6,247,700
Operating Expenses	2,750,700	2,899,500	2,822,400	2,772,200	2,835,200
Grants, Loans or Benefits	3,358,000	3,483,200	3,520,400	3,079,300	3,055,900
Capital Outlay	372,000	437,500	286,600	200,800	183,900
TOTAL EXPENDITURES	<u>12,168,100</u>	<u>12,814,300</u>	<u>12,919,100</u>	<u>12,013,900</u>	<u>12,322,700</u>
EXPENDITURES BY UNIT					
Assistive Technology	936,700	842,100	799,400	739,900	797,000
Industries for the Blind	2,539,400	2,742,800	2,836,900	2,711,700	2,804,800
Business Enterprise Program	1,200,700	1,217,300	1,025,700	995,200	1,004,900
Independent Living	562,000	624,900	549,500	524,000	448,500
General Blind Services	6,929,300	7,387,200	7,707,600	7,043,100	7,267,500
TOTAL EXPENDITURES	<u>12,168,100</u>	<u>12,814,300</u>	<u>12,919,100</u>	<u>12,013,900</u>	<u>12,322,700</u>

Pursuant to KRS 163.470, the Department provides a wide array of services to assist individuals with severe visual disabilities in preparing for and obtaining employment. Client services provided in its ten regional offices range from counseling, medical and vocational evaluation, recording and reader services to training, placement, and on-the-job training.

The Personal Independence Branch provides personal adjustment services such as counseling, cane travel, Braille use and typing; and adaptation and training in computers and other devices.

Through its Center for Independent Living, the Department offers short-term services to individuals who are blind and who wish to become more independent in the home or community.

Two employment programs for the blind are administered by the Department: the Kentucky Industries for the Blind (KIB) and the Business Enterprise Program. KIB is a manufacturing facility which employs blind and visually impaired persons to sell a full line of industrial janitorial supplies and provides production subcontract work for private industry. KIB provides industrial evaluation, training, and employment for these persons to prepare them for placement in competitive or long-term employment. Participants in the Business Enterprises Program operate vending and food services facilities in public and private buildings.

WORKFORCE DEVELOPMENT
Department for the Blind
Assistive Technology

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		100,000			
Restricted Agency Funds					
Balance Forward	6,000				
Current Receipts	206,100				
Total Restricted Agency Funds	212,100				
Federal Funds					
Balance Forward	2,300	75,400	177,800	75,400	180,000
Current Receipts	797,700	844,500	736,000	844,500	736,000
Total Federal Funds	800,000	919,900	913,800	919,900	916,000
TOTAL FUNDS	1,012,100	1,019,900	913,800	919,900	916,000
EXPENDITURES BY CLASS					
Personnel Costs	199,700	209,900	220,400	207,700	218,000
Operating Expenses	75,200	77,200	79,000	77,200	79,000
Grants, Loans or Benefits	661,800	555,000	500,000	455,000	500,000
TOTAL EXPENDITURES	936,700	842,100	799,400	739,900	797,000

This program is a consumer oriented, collaborative system for making assistive technologies available to all Kentucky citizens with disabilities who can benefit from such use. The Kentucky Assistive Technology Service (KATS) Network implements the mandate of the Technology-Related Assistance for Individuals with Disabilities Act of 1988 (Public Law 100-407), as amended in 1994 (PL 103-218), under the auspices of the Kentucky Department for the Blind.

In addition to the state staff, there are four Assistive Technology Resource Centers in Kentucky. These centers stimulate outreach activities, perform evaluation and needs assessment, provide training and technical assistance, loan assistive and adaptive devices to consumers, and identify and recruit appropriate agencies to join the network.

WORKFORCE DEVELOPMENT
Department for the Blind
Industries for the Blind

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	861,700	879,700	899,700	879,700	899,700
Restricted Agency Funds					
Balance Forward	49,300	108,000	126,000	108,000	157,100
Current Receipts	1,736,400	1,881,100	1,975,200	1,881,100	1,975,200
Total Restricted Agency Funds	1,785,700	1,989,100	2,101,200	1,989,100	2,132,300
TOTAL FUNDS	2,647,400	2,868,800	3,000,900	2,868,800	3,032,000
EXPENDITURES BY CLASS					
Personnel Costs	1,000,900	1,057,900	1,109,700	1,048,000	1,097,900
Operating Expenses	1,355,900	1,486,900	1,529,900	1,486,900	1,529,900
Grants, Loans or Benefits	100,600	151,000	150,300	151,000	150,300
Capital Outlay	82,000	47,000	47,000	25,800	26,700
TOTAL EXPENDITURES	2,539,400	2,742,800	2,836,900	2,711,700	2,804,800

The Industries for the Blind is a manufacturing facility employing a blind and visually impaired direct labor workforce. In accordance with KRS 163.470(13), the Industries for the Blind provides evaluation, training, and employment for individuals who are blind or visually impaired to prepare them for placement in competitive employment or long-term employment at the Industries for the Blind.

Policy

Included in the above General Fund appropriation is \$384,200 in fiscal year 1996-97 and \$404,200 in fiscal year 1997-98 for the conversion of the Industries for the Blind from a state-owned and operated facility to a private, not-for-profit facility as of July 1, 2000.

WORKFORCE DEVELOPMENT
Department for the Blind
Business Enterprises Program

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		202,300			
Restricted Agency Funds					
Balance Forward	387,100	171,400	141,400	171,400	161,200
Current Receipts	985,000	985,000	1,013,200	985,000	1,013,200
Total Restricted Agency Funds	1,372,100	1,156,400	1,154,600	1,156,400	1,174,400
TOTAL FUNDS	1,372,100	1,358,700	1,154,600	1,156,400	1,174,400
EXPENDITURES BY CLASS					
Personnel Costs	507,700	536,400	563,200	516,600	542,400
Operating Expenses	343,000	292,800	225,300	223,600	225,300
Grants, Loans or Benefits	100,000	100,000	100,000	100,000	100,000
Capital Outlay	250,000	288,100	137,200	155,000	137,200
TOTAL EXPENDITURES	1,200,700	1,217,300	1,025,700	995,200	1,004,900

The Division of Business Enterprises Program (BEP) establishes Randolph Sheppard vending facilities on state, federal, and other property for the purpose of providing remunerative employment for licensed blind vendors who are appointed to operate the facilities. This program provides management services and training to the blind vendors, identifies and develops new sites suitable for vending facilities, and repairs and replaces equipment in existing vending facilities pursuant to KRS 163.470(12).

The Department for the Blind receives a commission based upon the percentage of gross sales from vending operations located in all interstate highway rest areas. The funds received from the interstate vending contract are utilized exclusively in the Business Enterprises Program.

WORKFORCE DEVELOPMENT
Department for the Blind
Independent Living

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	163,500	268,400	273,400	168,400	173,400
Restricted Agency Funds					
Balance Forward	24,500	24,500	24,500	24,500	24,500
Current Receipts	40,200	40,600	41,000	40,600	41,000
Total Restricted Agency Funds	64,700	65,100	65,500	65,100	65,500
Federal Funds					
Balance Forward					900
Current Receipts	358,300	315,900	210,600	315,900	210,600
Total Federal Funds	358,300	315,900	210,600	315,900	211,500
TOTAL FUNDS	586,500	649,400	549,500	549,400	450,400
EXPENDITURES BY CLASS					
Personnel Costs	265,500	282,400	296,500	281,500	295,500
Operating Expenses	27,100	27,900	28,700	27,900	28,700
Grants, Loans or Benefits	269,400	314,600	224,300	214,600	124,300
TOTAL EXPENDITURES	562,000	624,900	549,500	524,000	448,500

Pursuant to KRS 163.470 and Title VII of the Rehabilitation Act, as amended in 1992, independent living specialists located in regional offices provide short-term, individualized instruction at the home or worksite for individuals who are blind so they may be able to function independently. Services include information, counseling, and skill training in activities of daily living. Mobility training, assistive devices, referrals to community resources in housing and transportation, and information on services offered by other agencies are provided. The service population consists mainly of individuals who are elderly or unable to work due to the severity of disabilities.

The Department employs six independent living specialists who are located throughout the state. These specialists make home visits and provide specially-adapted aids and appliances such as braille and talking watches, controls on stoves, writing guides, phone dials, and white canes. They provide limited instruction in household tasks such as cooking, keeping time and learning to get around in the home. The specialists also work with families to educate them about blindness and how to promote independent living.

The most recent needs assessment which was performed by the Department indicates that Kentucky has one of the highest prevalence rates of blindness in the country. Diabetes is one reason; lack of knowledge is another. Currently, it is estimated that there are over 33,000 older blind and visually impaired Kentuckians. Over 60 percent of blind persons are 60 years of age and older, and by age 80, almost one quarter of individuals have some degree of visual impairment.

WORKFORCE DEVELOPMENT
Department for the Blind
General Blind Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	675,400	1,049,900	1,180,800	695,700	719,600
Restricted Agency Funds					
Balance Forward	144,600	29,600	9,400	29,600	9,400
Current Receipts	385,000	404,200	424,400	404,200	424,400
Total Restricted Agency Funds	529,600	433,800	433,800	433,800	433,800
Federal Funds					
Balance Forward	57,200				
Current Receipts	5,731,700	5,947,900	6,132,400	5,958,000	6,153,500
Revenue Redistribution	-35,000	-35,000	-35,000	-35,000	-35,000
Total Federal Funds	5,753,900	5,912,900	6,097,400	5,923,000	6,118,500
TOTAL FUNDS	6,958,900	7,396,600	7,712,000	7,052,500	7,271,900
EXPENDITURES BY CLASS					
Personnel Costs	3,713,600	3,907,500	4,099,900	3,907,800	4,093,900
Operating Expenses	949,500	1,014,700	959,500	956,600	972,300
Grants, Loans or Benefits	2,226,200	2,362,600	2,545,800	2,158,700	2,181,300
Capital Outlay	40,000	102,400	102,400	20,000	20,000
TOTAL EXPENDITURES	6,929,300	7,387,200	7,707,600	7,043,100	7,267,500

Pursuant to KRS 163.470 (11) and 782 KAR 1:020-050 and the federal Rehabilitation Act, the mission of the General Blind Services program is to provide vocational rehabilitation services to individuals with severe visual disabilities which will result in gainful employment. The program consists of the Division of Client Services with ten statewide offices where services in counseling, evaluation, restoration, college and other vocational training, rehabilitation teaching, adaptive devices, rehabilitation technology, job placement and other services are planned and provided. The Personal Independence Branch provides comprehensive personal adjustment services, including training in activities of daily living, orientation and mobility, Braille, assistive technology, and vocational services, including career assessment, vocational planning and work adjustment.

WORKFORCE DEVELOPMENT
Governor's Council on Vocational Education

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Balance Forward	3,700				
Current Receipts	159,600	156,000	160,000	156,000	160,000
Revenue Redistribution	-7,100	-7,300	-7,500	-7,300	-7,500
TOTAL FUNDS	156,200	148,700	152,500	148,700	152,500
EXPENDITURES BY CLASS					
Personnel Costs	108,800	101,300	106,400	101,300	106,400
Operating Expenses	47,400	47,400	46,100	47,400	46,100
TOTAL EXPENDITURES	156,200	148,700	152,500	148,700	152,500

The Governor's Council on Vocational Education is a federally mandated council consisting of 13 members appointed by the Governor in accordance with specific categories as outlined in KRS 163.086. The duties and responsibilities of the Council are specified in KRS 163.086 and Public Law 98524 as amended by Public Law 101-392.

The Council serves in an advisory capacity relative to the effectiveness, adequacy and coordination of the vocational education and job training program delivery systems assisted under the Carl D. Perkins Vocational and Applied Technology Education Act and the Job Training Partnership Act. In order for Kentucky to receive federal funds under the Carl D. Perkins Vocational and Applied Technology Education Act, the Council must carry out this function in conjunction with the other responsibilities identified in the public law and statute.

The Council meets quarterly to evaluate data and information pertinent to improving the vocational education and job training programs delivery systems; special meetings are conducted as warranted. Two full-time staff members conduct educational and business surveys, prepare mandated reports and attend conferences and committee meetings.

WORKFORCE DEVELOPMENT
State Board for Proprietary Education

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	125,800	138,700	147,600	138,700	147,600
Current Receipts	111,000	111,000	111,000	111,000	111,000
TOTAL FUNDS	<u>236,800</u>	<u>249,700</u>	<u>258,600</u>	<u>249,700</u>	<u>258,600</u>
EXPENDITURES BY CLASS					
Personnel Costs	92,400	96,100	99,800	96,100	99,800
Operating Expenses	5,700	6,000	6,300	6,000	6,300
TOTAL EXPENDITURES	<u>98,100</u>	<u>102,100</u>	<u>106,100</u>	<u>102,100</u>	<u>106,100</u>

The State Board for Proprietary Education, consisting of 12 members appointed by the Governor, was created to administer and enforce the provisions of KRS 165A. Its primary function is to monitor the needs of the consumer public with regard to services provided by privately owned educational institutions offering instruction in business, trade, technical, industrial, or related areas. It has the responsibility to conduct formal hearings and to prosecute, if necessary, schools that have not maintained and adhered to the standards of operation set forth in KRS 165A. The Board also administers a student protection fund for those students affected by the closing of such institutions.

WORKFORCE DEVELOPMENT
Job Training Coordinating Council

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Non-Revenue Receipts	138,900	138,900	138,900	138,900	138,900
EXPENDITURES BY CLASS					
Personnel Costs	123,000	129,500	136,000	129,500	136,000
Operating Expenses	15,900	9,400	2,900	9,400	2,900
TOTAL EXPENDITURES	138,900	138,900	138,900	138,900	138,900

The Job Training Coordinating Council is an administrative oversight body whose existence is mandated by the federal Job Training Partnership Act. Its membership is appointed by the Governor and is composed as follows: 30 percent business and industry representatives; 30 percent state and local government and local education agency representatives; 30 percent organized labor and community-based organization representatives; and 10 percent representatives of the general public.

The Council advises the Governor regarding the Job Training Partnership Act (JTPA) and job training plans for the 11 service delivery areas. The Job Training Coordinating Council also reviews and monitors all services provided through the JTPA, including the use of resources, program development, and evaluation. The Council ensures that all aspects of these programs follow state and federal JTPA regulations.

WORKFORCE DEVELOPMENT
Teachers' Retirement - Employer Contribution

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,652,000	9,443,800	9,916,100	8,822,500	9,266,100
EXPENDITURES BY CLASS					
Personnel Costs	8,652,000	9,443,800	9,916,100	8,822,500	9,266,100

KRS 161.550 requires each employer to contribute to the Teachers' Retirement System an amount equal to that contributed by its employees who are members of the System. For those Workforce Development Cabinet employees who are Teachers' Retirement System members, the contribution is 9.855 percent of salary. Additionally, each employer is required to pay a 3.25 percent overmatch to defray the System's unfunded liability.

The above General Fund appropriation includes the employer match for salaries paid to vocational teachers and other Cabinet employees who participate in the System. This match will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.550.

WORKFORCE DEVELOPMENT
Training and Reemployment

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	100,000				
Restricted Agency Funds					
Balance Forward	2,500				
Current Receipts	15,000	17,500	17,500	17,500	17,500
Total Restricted Agency Funds	17,500	17,500	17,500	17,500	17,500
Federal Funds					
Balance Forward	81,900				
Current Receipts	40,230,100	28,464,600	27,837,000	28,443,300	27,812,600
Revenue Redistribution	-5,666,200	-4,228,400	-4,228,400	-4,228,400	-4,228,400
Total Federal Funds	34,645,800	24,236,200	23,608,600	24,214,900	23,584,200
TOTAL FUNDS	34,763,300	24,253,700	23,626,100	24,232,400	23,601,700
EXPENDITURES BY CLASS					
Personnel Costs	1,355,300	1,338,500	1,401,300	1,322,900	1,382,600
Operating Expenses	1,296,600	1,207,800	1,209,000	1,205,900	1,207,100
Grants, Loans or Benefits	32,089,400	21,707,400	21,015,800	21,703,600	21,012,000
Capital Outlay	22,000				
TOTAL EXPENDITURES	34,763,300	24,253,700	23,626,100	24,232,400	23,601,700
EXPENDITURES BY UNIT					
Title II	29,165,000	20,517,500	20,189,100	20,507,100	20,176,000
Title III	5,598,300	3,736,200	3,437,000	3,725,300	3,425,700
TOTAL EXPENDITURES	34,763,300	24,253,700	23,626,100	24,232,400	23,601,700

The Office of Training and Reemployment administers the Job Training Partnership Act (JTPA) program. The JTPA program includes the JTPA Title II branch and the JTPA Title III branch.

WORKFORCE DEVELOPMENT
Training and Reemployment
Title II

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	50,000				
Restricted Agency Funds					
Balance Forward	2,500				
Current Receipts	15,000	17,500	17,500	17,500	17,500
Total Restricted Agency Funds	17,500	17,500	17,500	17,500	17,500
Federal Funds					
Balance Forward	600				
Current Receipts	30,625,200	21,765,400	21,437,000	21,755,000	21,423,900
Revenue Redistribution	-1,528,300	-1,265,400	-1,265,400	-1,265,400	-1,265,400
Total Federal Funds	29,097,500	20,500,000	20,171,600	20,489,600	20,158,500
TOTAL FUNDS	29,165,000	20,517,500	20,189,100	20,507,100	20,176,000
EXPENDITURES BY CLASS					
Personnel Costs	680,200	671,800	703,200	665,200	693,900
Operating Expenses	476,800	477,300	477,900	477,300	477,900
Grants, Loans or Benefits	28,008,000	19,368,400	19,008,000	19,364,600	19,004,200
TOTAL EXPENDITURES	29,165,000	20,517,500	20,189,100	20,507,100	20,176,000

The intent of the Title II program is to provide programs to prepare youth and unskilled adults for entry into the labor force, and to afford job training to the economically disadvantaged and other individuals facing serious barriers to employment so that they may obtain productive employment. The Title II branch is responsible for oversight, procedure development, and support of the JTPA Title II funded programs.

WORKFORCE DEVELOPMENT
Training and Reemployment
Title III

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	50,000				
Federal Funds					
Balance Forward	81,300				
Current Receipts	9,604,900	6,699,200	6,400,000	6,688,300	6,388,700
Revenue Redistribution	-4,137,900	-2,963,000	-2,963,000	-2,963,000	-2,963,000
Total Federal Funds	<u>5,548,300</u>	<u>3,736,200</u>	<u>3,437,000</u>	<u>3,725,300</u>	<u>3,425,700</u>
TOTAL FUNDS	<u>5,598,300</u>	<u>3,736,200</u>	<u>3,437,000</u>	<u>3,725,300</u>	<u>3,425,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	675,100	666,700	698,100	657,700	688,700
Operating Expenses	819,800	730,500	731,100	728,600	729,200
Grants, Loans or Benefits	4,081,400	2,339,000	2,007,800	2,339,000	2,007,800
Capital Outlay	22,000				
TOTAL EXPENDITURES	<u>5,598,300</u>	<u>3,736,200</u>	<u>3,437,000</u>	<u>3,725,300</u>	<u>3,425,700</u>

The purpose of the JTPA Title III program, also known as the Dislocated Worker program, is to provide assistance to workers who have lost their jobs or are anticipating the loss of their jobs due to business closures or economic conditions. Of the Title III funds, 60 percent are allocated through the Economic Dislocation Worker Adjustment Act (EDWAA) program in the Department for Employment Services, to Kentucky's ten Substate Grantees (SSG) for direct client retraining purposes, currently represented by eight local Employment Services offices. The remaining 40 percent are reserved for rapid response activities to immediately assist workers who will be displaced due to business closures for statewide, regional, or industry-wide activities, and for allocation to substate grantees when necessary. The Title III branch is responsible for administration, oversight, operation, and support of the JTPA Title III program.

WORKFORCE DEVELOPMENT
Employment Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,960,500	3,098,500	3,770,200	550,900	582,800
Restricted Agency Funds					
Balance Forward	263,000	9,700		9,700	
Current Receipts	2,506,200	1,706,300	1,500,000	1,490,300	1,500,000
Non-Revenue Receipts				4,137,200	4,262,000
Total Restricted Agency Funds	<u>2,769,200</u>	<u>1,716,000</u>	<u>1,500,000</u>	<u>5,637,200</u>	<u>5,762,000</u>
Federal Funds					
Balance Forward	981,500				
Current Receipts	257,723,500	261,755,000	265,318,100	261,755,000	265,318,100
Revenue Redistribution	6,997,600	5,172,100	5,609,200	2,529,500	2,886,600
Total Federal Funds	<u>265,702,600</u>	<u>266,927,100</u>	<u>270,927,300</u>	<u>264,284,500</u>	<u>268,204,700</u>
TOTAL FUNDS	<u>270,432,300</u>	<u>271,741,600</u>	<u>276,197,500</u>	<u>270,472,600</u>	<u>274,549,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	36,748,700	34,589,100	35,166,200	33,687,500	33,715,800
Operating Expenses	9,133,500	8,710,300	8,665,400	8,556,100	8,467,800
Grants, Loans or Benefits	223,939,300	228,229,000	232,365,900	228,229,000	232,365,900
Capital Outlay	601,100	213,200			
TOTAL EXPENDITURES	<u>270,422,600</u>	<u>271,741,600</u>	<u>276,197,500</u>	<u>270,472,600</u>	<u>274,549,500</u>
EXPENDITURES BY UNIT					
Employer and Placement Services	19,071,200	19,467,900	18,096,700	18,198,900	16,448,700
Economic Dislocation Worker Adjustment Act	5,207,000	2,783,600	2,783,800	2,783,600	2,783,800
Unemployment Insurance - Administration	21,535,700	19,252,900	19,255,000	19,252,900	19,255,000
Unemployment Insurance - Benefits	220,600,000	226,100,000	231,800,000	226,100,000	231,800,000
Welfare Reform	4,008,700	4,137,200	4,262,000	4,137,200	4,262,000
TOTAL EXPENDITURES	<u>270,422,600</u>	<u>271,741,600</u>	<u>276,197,500</u>	<u>270,472,600</u>	<u>274,549,500</u>

The Department for Employment Services is responsible for assisting individuals to find employment and to help employers meet their labor needs. The Department is also responsible for accessing and collecting taxes from employers to distribute benefits to those who qualify for unemployment compensation. The programs include Employer and Placement Services, Economic Dislocation Worker Adjustment Act, Unemployment Insurance and Welfare Reform.

Executive Order 95-289 authorized the transfer of the Department for Employment Services (DES) from the Cabinet for Human Resources to the Workforce Development Cabinet effective July 1, 1995. The addition of DES will better enable Workforce to integrate the areas of education, employment, and training services for all Kentuckians.

WORKFORCE DEVELOPMENT
Employment Services
Employer and Placement Services

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	509,500	1,603,900	2,230,800	550,900	582,800
Restricted Agency Funds					
Balance Forward	27,500	9,700		9,700	
Current Receipts	2,506,200	1,706,300	1,500,000	1,490,300	1,500,000
Total Restricted Agency Funds	<u>2,533,700</u>	<u>1,716,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Federal Funds					
Balance Forward	74,200				
Current Receipts	14,992,800	15,425,100	13,288,200	15,425,100	13,288,200
Revenue Redistribution	970,700	722,900	1,077,700	722,900	1,077,700
Total Federal Funds	<u>16,037,700</u>	<u>16,148,000</u>	<u>14,365,900</u>	<u>16,148,000</u>	<u>14,365,900</u>
TOTAL FUNDS	<u>19,080,900</u>	<u>19,467,900</u>	<u>18,096,700</u>	<u>18,198,900</u>	<u>16,448,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	14,789,600	14,485,000	15,024,500	13,583,400	13,574,100
Operating Expenses	3,068,100	2,825,900	2,572,200	2,671,700	2,374,600
Grants, Loans or Benefits	1,201,200	1,943,800	500,000	1,943,800	500,000
Capital Outlay	12,300	213,200			
TOTAL EXPENDITURES	<u>19,071,200</u>	<u>19,467,900</u>	<u>18,096,700</u>	<u>18,198,900</u>	<u>16,448,700</u>
EXPENDITURES BY UNIT					
Job Placement Services	13,466,600	13,786,100	12,222,200	12,517,100	10,574,200
Special Employment Services	4,592,300	4,641,800	4,790,400	4,641,800	4,790,400
Employment Information Support	1,012,300	1,040,000	1,084,100	1,040,000	1,084,100
TOTAL EXPENDITURES	<u>19,071,200</u>	<u>19,467,900</u>	<u>18,096,700</u>	<u>18,198,900</u>	<u>16,448,700</u>

The objective of the Employer and Placement Services program is two-fold. The first is to assist individuals who are unemployed, underemployed, or simply seeking to change their employment situation. The second is to assist employers to obtain qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement for any persons needing such services.

WORKFORCE DEVELOPMENT
Employment Services
Economic Dislocation Worker Adjustment Act

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	235,500				
Federal Funds					
Balance Forward	366,300				
Revenue Redistribution	4,605,200	2,783,600	2,783,800	2,783,600	2,783,800
Total Federal Funds	4,971,500	2,783,600	2,783,800	2,783,600	2,783,800
TOTAL FUNDS	5,207,000	2,783,600	2,783,800	2,783,600	2,783,800
EXPENDITURES BY CLASS					
Personnel Costs	1,339,300	803,300	843,800	803,300	843,800
Operating Expenses	269,900	243,600	247,200	243,600	247,200
Grants, Loans or Benefits	3,596,600	1,736,700	1,692,800	1,736,700	1,692,800
Capital Outlay	1,200				
TOTAL EXPENDITURES	5,207,000	2,783,600	2,783,800	2,783,600	2,783,800

The Economic Dislocation Worker Adjustment Act (EDWAA) provides services for individuals under the Job Training Partnership Act (JTPA) Title III, Employment and Training Assistance for Dislocated Workers program. The purpose of the JTPA Title III program is to provide assistance to workers who have lost their jobs or are anticipating the loss of their jobs due to plant closures or economic conditions.

The Office of Training and Reemployment allocates 60 percent of the JTPA Title III funds through the EDWAA program to Kentucky's ten Substate Grantees (SSG) for direct client retraining purposes. Of these ten SSG's, eight are local offices of the Department for Employment Services.

WORKFORCE DEVELOPMENT
Employment Services
Unemployment Insurance - Administration

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Balance Forward	195,100				
Current Receipts	22,436,100	20,229,900	20,229,900	20,229,900	20,229,900
Revenue Redistribution	-1,095,500	-977,000	-974,900	-977,000	-974,900
TOTAL FUNDS	21,535,700	19,252,900	19,255,000	19,252,900	19,255,000
EXPENDITURES BY CLASS					
Personnel Costs	17,193,300	15,837,200	15,695,600	15,837,200	15,695,600
Operating Expenses	3,696,600	3,401,700	3,545,400	3,401,700	3,545,400
Grants, Loans or Benefits	133,400	14,000	14,000	14,000	14,000
Capital Outlay	512,400				
TOTAL EXPENDITURES	21,535,700	19,252,900	19,255,000	19,252,900	19,255,000

The administrative component of the Unemployment Insurance program provides benefit payments based on earnings in a specific transaction period. Revenues for administration of the program are derived from a federal unemployment tax on employers' payrolls.

WORKFORCE DEVELOPMENT
Employment Services
Unemployment Insurance - Benefits

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
Federal Funds					
Balance Forward	305,400				
Current Receipts	220,294,600	226,100,000	231,800,000	226,100,000	231,800,000
TOTAL FUNDS	<u>220,600,000</u>	<u>226,100,000</u>	<u>231,800,000</u>	<u>226,100,000</u>	<u>231,800,000</u>
EXPENDITURES BY CLASS					
Operating Expenses	1,764,000	1,808,800	1,854,400	1,808,800	1,854,400
Grants, Loans or Benefits	218,836,000	224,291,200	229,945,600	224,291,200	229,945,600
TOTAL EXPENDITURES	<u>220,600,000</u>	<u>226,100,000</u>	<u>231,800,000</u>	<u>226,100,000</u>	<u>231,800,000</u>

The Unemployment Insurance program provides benefit payments, based on earnings in a specific transaction period, during periods of involuntary unemployment. In Kentucky, there is no employee payroll deduction for unemployment insurance. Revenue for benefits is derived from a tax on employers' payrolls collected by the state and deposited in the Federal Unemployment Insurance Fund.

The Kentucky Unemployment Insurance law, KRS 341, provides the statutory authority and the structure for the operation of the Unemployment Insurance (UI) program in Kentucky. UI Benefits are funded entirely through payment of state unemployment taxes by employers within the state who are determined liable under KRS 341 based upon size and duration of payroll.

WORKFORCE DEVELOPMENT
Employment Services
Welfare Reform

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,451,000	1,494,600	1,539,400		
Restricted Agency Funds					
Non-Revenue Receipts				4,137,200	4,262,000
Federal Funds					
Balance Forward	40,500				
Revenue Redistribution	2,517,200	2,642,600	2,722,600		
Total Federal Funds	<u>2,557,700</u>	<u>2,642,600</u>	<u>2,722,600</u>		
TOTAL FUNDS	<u>4,008,700</u>	<u>4,137,200</u>	<u>4,262,000</u>	<u>4,137,200</u>	<u>4,262,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	3,426,500	3,463,600	3,602,300	3,463,600	3,602,300
Operating Expenses	334,900	430,300	446,200	430,300	446,200
Grants, Loans or Benefits	172,100	243,300	213,500	243,300	213,500
Capital Outlay	75,200				
TOTAL EXPENDITURES	<u>4,008,700</u>	<u>4,137,200</u>	<u>4,262,000</u>	<u>4,137,200</u>	<u>4,262,000</u>

The main objective of the Welfare Reform program in the Department is to administer the Job Opportunities and Basic Skills (JOBS) program. The JOBS program is aimed toward custodial parents under the age of 24 who have not completed high school and have little or no work experience. The JOBS program is also targeted toward Aid to Families with Dependent Children (AFDC) recipients who have received welfare for 36 months or more, as well as toward those whose youngest child is within two years of becoming ineligible because of age. The JOBS program requires three basic steps for participants: assessment, employment preparation and job placement. Services offered include: education, job skills training, job readiness, job development, on-the-job training, and job search.

Policy

The enacted budget provides that federal funds and the associated matching state funds for job training and placement services are budgeted within the Department for Social Insurance, Cabinet for Families and Children. Included in the above is \$4,137,200 in fiscal year 1997 and \$4,262,000 in fiscal year 1998, which will be transferred from the Cabinet for Families and Children to provide the services to JOBS participants through a contractual agreement. These funds are budgeted in the Department for Employment Services as agency funds.

LEGISLATIVE BRANCH

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,746,000	29,742,500	36,485,400	29,653,500	36,543,000
Special Appropriation	206,600				
Continuing Appropriation	8,481,700	3,635,500	3,516,500	3,635,400	3,484,100
Total General Fund	<u>37,434,300</u>	<u>33,378,000</u>	<u>40,001,900</u>	<u>33,288,900</u>	<u>40,027,100</u>
Restricted Agency Funds					
Balance Forward	701,200	701,200	701,200	701,200	701,200
Current Receipts	215,000	240,000	190,000	240,000	190,000
Non-Revenue Receipts	2,000,000				
Total Restricted Agency Funds	<u>2,916,200</u>	<u>941,200</u>	<u>891,200</u>	<u>941,200</u>	<u>891,200</u>
Federal Funds					
Non-Revenue Receipts	100	100	100	100	100
TOTAL FUNDS	<u>40,350,600</u>	<u>34,319,300</u>	<u>40,893,200</u>	<u>34,230,200</u>	<u>40,918,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	24,106,400	22,029,600	26,898,400	21,940,600	26,956,000
Operating Expenses	10,350,600	6,777,900	8,536,500	6,810,200	8,728,200
Capital Outlay	1,557,000	1,294,100	1,272,300	1,294,100	1,272,300
TOTAL EXPENDITURES	<u>36,014,000</u>	<u>30,101,600</u>	<u>36,707,200</u>	<u>30,044,900</u>	<u>36,956,500</u>
EXPENDITURES BY UNIT					
General Assembly	14,675,800	9,169,800	14,293,900	9,080,800	14,351,500
Legislative Research Commission	21,338,200	20,931,800	22,413,300	20,964,100	22,605,000
TOTAL EXPENDITURES	<u>36,014,000</u>	<u>30,101,600</u>	<u>36,707,200</u>	<u>30,044,900</u>	<u>36,956,500</u>

The Legislative Powers of the Commonwealth of Kentucky are vested in the General Assembly and found in Sections 29 through 62 of the Kentucky Constitution. The purpose of the Legislature is to make the state's laws, to determine the duties and services of government, to provide for their execution, and to levy taxes and appropriate funds for their support.

The General Assembly, as specified by the Constitution, consists of 38 Senators and 100 Representatives, each representing districts as nearly equal as possible as prescribed by Section 33 of the Kentucky Constitution. Members of the House of Representatives are elected for two-year terms. Members of the Senate serve four-year terms, with one-half of the Senate elected every two years.

The Legislative Research Commission is a fact-finding and service agency for the Kentucky General Assembly. It is a statutory body created and maintained since 1948. The Commission is bipartisan and is composed of the leadership of both the House

and Senate with the Senate President and House Speaker serving as co-chairman. The LRC staff provides research, bill drafting, and other administrative functions for the legislature.

Funding for the Legislative Branch has been authorized by House Bill 378. The bill authorized funding for the major programs operating within the Legislative Branch of government. The appropriation units are General Assembly and the Legislative Research Commission. The General Assembly appropriation is comprised of three programs, General Assembly, Kentucky Legislative Ethics, and Kentucky Long Term Planning and Research. The Legislative Research Commission appropriation is comprised of a single element, the Legislative Research Commission.

The enacted budget provides General Funds in the amount of \$45,000 in fiscal year 1997 and \$191,600 in fiscal year 1998 to increase the daily compensation provided by KRS 6.190 and the interim expense allowance provided by KRS 6.213 for members of the General Assembly. This cost-of-living adjustment is effective January 1, 1997 and 1998 and is not to exceed five percent.

JUDICIAL BRANCH

	Revised FY 1996	Requested FY 1997	Requested FY 1998	Enacted FY 1997	Enacted FY 1998
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	116,732,400	128,602,300	137,319,200	126,285,400	134,881,300
Restricted Agency Funds					
Balance Forward	1,318,700	826,400	413,400	826,400	413,400
Current Receipts	1,577,400	1,582,300	1,587,400	1,582,300	1,587,400
Non-Revenue Receipts	82,000	39,400	40,000	39,400	40,000
Total Restricted Agency Funds	2,978,100	2,448,100	2,040,800	2,448,100	2,040,800
Federal Funds					
Balance Forward	200				
Current Receipts	77,200	77,200	78,600	77,200	78,600
Non-Revenue Receipts	23,500				
Revenue Redistribution	34,700				
Total Federal Funds	135,600	77,200	78,600	77,200	78,600
TOTAL FUNDS	119,846,100	131,127,600	139,438,600	128,810,700	137,000,700
EXPENDITURES BY CLASS					
Personnel Costs	119,019,700	93,562,800	98,579,800	92,638,000	97,554,100
Operating Expenses		35,337,700	38,806,900	33,860,100	37,262,800
Grants, Loans or Benefits				372,800	373,100
Capital Outlay		1,813,700	2,051,900	1,526,400	1,810,700
TOTAL EXPENDITURES	119,019,700	130,714,200	139,438,600	128,397,300	137,000,700
EXPENDITURES BY UNIT					
Court Operations and Administration	98,318,600	107,248,300	112,777,000	105,276,400	110,671,500
Local Facilities Fund	15,384,200	17,358,200	20,542,300	17,487,200	20,683,900
Judicial Form Retirement System	4,416,900	6,107,700	6,119,300	5,633,700	5,645,300
Statewide Court Case Management System	900,000				
TOTAL EXPENDITURES	119,019,700	130,714,200	139,438,600	128,397,300	137,000,700

The Judicial powers of the Commonwealth of Kentucky are vested in one Court of Justice under Section 109 of the Kentucky Constitution. Fully implemented in 1978, the Court constitutes a Unified Judicial System for operation and administration. The purpose of the Kentucky Judicial Branch of government is to provide equal justice for all persons who become involved in the Kentucky court system through due process of law, administered without favor, denial or delay, and to carry out all provisions of the Judicial Article of the Constitution.

The Kentucky court system is a four-tiered system of adjudication including a Supreme Court, Court of Appeals, Circuit Court, and District Court. The goal of these courts is to hear and determine expeditiously all cases which may come before the Court of Justice, to interpret the laws of the Commonwealth, make decisions and issue opinions related thereto.

The Circuit clerks' offices in each county have as their goal the provision of an effective and manageable system of clerical support and maintenance of court records for the circuit and district courts.

The Administrative Office of the Court, Juvenile Services, Pretrial Services, State Law Library, the ancillary boards and commissions, and the local court facilities program have the following goals:

- To provide the administrative support necessary to carry on the operation of the Court of Justice and to have adequate personnel, facilities, equipment, and operating expenses to carry out the Judicial Branch's constitutional and statutory responsibilities.
- To ensure a system of financial management and accountability for the Court of Justice.
- To carry on a continuous survey of the organization, operation, and other aspects of the Court of Justice and to make improvements thereof.

Funding for the Judiciary has been authorized via House Bill 377. House Bill 337 is the Judicial Appropriations Bill authorizing funds for major programs, Court Operations and Administration, Local Facilities Fund, and the Judicial Retirement Plan portion of the Judicial Form Retirement System.